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REPORT

OF THE

Railway Freight Structure

Enquiry Committee

[1955—57]

VOLUME-II (Part-II)

[Replies to Questionnaires]

MINISTRY OF RAILWAYS
Government of India

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MADRAS-14



SECTION IV

Replies from M. Ps. and Individuals

to

the Questionnaires issued by the

Railway Freight Structure Enquiry Committee.

ANDHRA

Sri D. Ramesam,

Kakinada.

PART I-A.

Q: 1 (a). The revision of General Classification of Goods in the year 1948 has, in my view, under the normal circumstances, as far as the industry and trade are concerned, been felt good.

But, since recent times and very particularly from the last two years, the Industrial Policy of the Government of India is very much appreciable, and under the 1st and 2nd Five Year Plan periods, in all the States in the country there has been a great advancement in the industrial output and in starting new industries, to meet the growing needs of the people in the country. It may be stated that there is a general enthusiasm amongst the people to figure prominently and pre-eminently in the industrial map of India. As a true Indian, one would be glad and proud of the fact that there is a growing attraction for Indian goods including handloom cloth also, in the foreign countries. Consequently, the volume of trade in the country improved very large, and as such I would like to suggest the general classification of goods in 1948, needs a still more revision now in some respects, as seven years have elapsed since, and as also in view of the increase in the movement of goods.

For instance, in the view of what has been stated above by the 1948 revision, the effect on industry and trade in respect of grains, some pulses and seeds, handloom cloth, Machinery, some chemicals and electrical goods, is not harmonious and it needs a careful revision to give some relief to the particular industries and trade affected.

(b) The adoption in 1948 of the principle of 'telescopic rates on the continuous mileage over the different railways has been helpful to a great extent generally; but in my opinion, some modifications are necessary.

The telescopic class rates on the continuous mileage, *i. e.* for the 1st 300 miles in respect of the movement of paddy goods and the wagon-load scales for oils and coal moving beyond 500 miles are, in my opinion, burdensome on the part of trade. And there have to be some cut-shorts in these scales which would be useful both to the trade and adoptable by the Railways.

(c) So far as my knowledge is concerned, I wish to express that short and medium haul traffics are slightly affected in respect of certain goods which are of daily use to the consumers.

For instance, the traffic in respect of the transport of tiles and grains on short hauls to an extent of 20%, and in respect of oils, machinery and cloth on medium hauls to an extent of 15%, is affected.

So, what I all mean to say is the industrial places in the country must be viewed with a special eye with regard to the movement of goods from one place to the other. If the freight rates are exorbitant, the traders, or the business people will resort to some easiest means of securing the cheapest way of despatch. That is why, the Railways as the carriers of goods, it may be noted here, must be encouraging, attractive and simple to the business minded, not particularly with the view of self-profiteering, but as the promoters of the largest and best economy both to the industry and trade concerned as well as to the Government.

Q: 2 (a) The present rating arrangements do not fully permit of sufficient flexibility to meet the legitimate needs of Industries in regard to the movements of the materials or its concerned products which are mentioned above.

(b) The Railway administration may exercise the discretion possibly to the extent indicated below and as roughly stated elsewhere.

Here I would like to point out three kinds in revising the present rating arrangements:—

(i) To reduce half of the charges per maund or ton in respect of the present number of 'annas' on all classes; or

(ii) to reduce completely all kinds of terminal charges and transhipment charges on all goods and provide free service to that extent; or

(iii) to remove completely the charges in respect of the present number of 'annas' charged only on long distance transport, *i.e.*, beyond 600 miles and increase doubly the present terminal and transhipment charges,

I feel sorry, I have not the full material like Goods Manual and Traffic Notes to opt for myself which one of the above is suitable and appropriate for the present time, but is outlined by the Hon'ble Minister for Railways in the course of his Budget Speech, we have to provide more relief and conveniences to long distance transport than to the short and medium hauls. Whatever it is, there should be no hasty move in raising or lowering the freight rates as it would seriously hamper the growth of the industries concerned as well as the developmental economy of the railways.

In this connection I wish to state that the views of the Chambers of Commerce and Industry of all states in the country in this regard shall be ascertained, and a special conference of all the General Managers and Commercial Superintendents of all the Railways in the country including business

'magnates' and other interested individuals should be convened for the purpose. And another separate conference of important railway officials at the Ministerial level, after ascertaining and examining the resolutions of the 1st 'mixed' conference should be held, keeping in front the railway accounts of receipts and expenditure on the commercial side for the last seven years.

Q: 3. (i) The number of class rates and wagon load scales at present prescribed are, in my view, adequate. But on a comparative examination of the general trend of business both in public sector and private sector and in view of a more developmental economy, I would like to state as follows :—

For a moment I would like to say that under the 2nd Five Year Plan period the Government is starting new industries. So long as their products are in good market position and public utility, the industry or trade continues well. That means that nothing should come in the way of their transport. That is why, the revision of the proposed freight structure must be on a planned and consolidated basis, but not on flimsy grounds. So, all this revision is to be done slow and well-thought of.

(ii) (a & b) As things now stand, the number of 'legs' and the distance range in each leg in each of the class rates and wagon load scales do not adversely affect the movement of transport. I think the distance range for each of the class rates or full load scales shall be unitary at particular charges, *i.e.* to say 50 miles minimum at particular charges (just as the principle of levying charges by P. & T. Departments for parcels and M. O. commissions—of course, the Postal Department will not mind for the distance, its ratio of charge being on 'weight : Rate' ; but now we have to see the 'distance' factor also).

Q : 4. Under the present freight structure and under the proposed revision also the free charge for distance of about 1,500 miles or more should be discontinued and be appropriately charged in my opinion, because I would like to state that there are no donors now to feed the Railways in the event of any losses in any view of the administrative policy. But if the consignments are intended for any charitable and endowment purpose for the common weal of the people, and if the Government is so satisfied with such intention then the exemptions may be accorded ; otherwise I do not see any reason or benefit on the part of Railways as carriers of goods, to exempt such traffic from paying the freights.

Q: 5. My opinion about the principle of levying separate terminal charges, short distance charges, transhipment charges etc. is that these charges must be levied in inevitable cases for the financial stability of the Railways and in the interests of the prompt and proper transport of the goods. For every single pie the railways are taking they are displaying its proportionate worth of duty. Apart from levying these charges I made some suggestions in the above paras in modification of some rates.

In the 9th para above (point 3) I proposed some change. I think it is well if the freight for long distance transport for both wagon load and class loads is reduced as shown; but to that extent of reduction, increase some part of it by adjustment towards doubling the terminal and transhipment charges and the rest towards increasing the short and medium hauls under class rates only, but should not the wagon load charges be increased now. At the same time I believe, this will not fall on industry and trade as a burden. Comparatively speaking the other so-called ways of despatch of goods are not lower in value than the present ones of Railways. As long as the present volume and distance of movement is maintained, there is no danger either to the Government or to the industry and trade on these modifications. The tendency in the minds of people has become such now-a-days, virtually speaking, that they are portraying the changes in the railways just as has become such now-a-days, virtually speaking, that they are perceiving the changes in the Railways just as a new find actor in the cenemas is estimated, thus observing interestingly the movements of such actor.

Q: 6. The distance unit for charge need not be raised. The method of raising the distance units for charge from the present limit of one mile is dependent upon the volume of movement of goods some times. And if the distant units are to be raised, the railways' economy may be affected. The circumstances would compel to enhance the charges also. I therefore do not like to recolour the present system now.

Q: 7. I think it is better to fix the minimum distance for charge as 10 miles for goods traffic. But considering the expenditure side of the railways, in the case of goods trains, time and labour are also important factors and on this presumption, and on the present leakage of some leviable freight on the minimum distance for charge being 20 miles, I propose the minimum distance for charge as 10 miles.

Q: 8. The abolition of the empty haulage charge on all the different railways is advisable. It would be more vivacious and economical to the industrialists.

Q: 9 & 10. As far as the classification of goods shown in Annexure III is concerned, I would like to propose as follows:—

I presume that it would be more convenient if all the varieties of oil seeds and oils are included under one common head, so also all metals like iron and steel and ores, but not machinery tools which form separate head. Again in classification, to denote wagon loads 'W' on Broad and Metre Gauges 'W and M' are sufficient.

Q: 11. I have no more suggestion to make in this respect than what is already stated above regarding the freight rates.

Q: 12 & 13 (a & b). I like to propose the following charges minimum:

Wagon-load scale

Rate:—(i) Rs. 1-12-0 per ton for grains, seeds, handloom cloth and chemicals (primary needs for a man).

(ii) Rs. 1-14-0 per ton for all other varieties of goods.

Smalls.

Rs. 1-0-0 same as in (i).

Rs. 1-4-0 same as in (ii).

Q: 14. In my opinion it is better to abolish carriage of 'smalls' consignments in goods trains, and add such 'subtractions' to passenger train and parcel train traffic. If this system is not felt lucrative and convenient to the merchants, I suggest to raise the minimum weight to 12 seers for 'smalls' to be carried in goods.

Q: 15. I do not agree to this suggestion because this proposal does not suit or associate with the free intention of the public at large who are traders, as I hope this might some times lead to unnecessary procrastination in transport and hoarding of stocks at the stations and as the railways do not provide any safeguards for such inconveniences or losses.

Q: 16. I do not consider appropriate the three expedients proposed under the present circumstances prevailing in the country as the industries proposed or started have not yet gone into full production under the 1st and 2nd Five Year Plans. This question may be reserved for decision later, *i. e.* until further three years more.

Q: 17. I consider it undesirable to have train load rates at present in the existing economy of the railways Of course, I say it is feasible to adopt, but I do not see any gainful advantage from any source whatever to any particular element.

Q: 18. In my view it is unnecessary to run special express goods services.

But, if the majority of business minded persons feel that there should be special express goods services as at present then, there should be extra charges. The rate of extra charging should be such that there must be a proportionate higher charge than the rate ordinarily leviable, had the goods been despatched in the ordinary goods trains. That is to say, the cost of such special service afforded for running the special trains must be proportionately divided and added to the existing figures.

Q: 19. At every important station and junctions there should be cranes as the occasion needs, one or more, fitted to the suitable machinery which can be moved on the rails or permanently fixed at suitable points; I mean, for every 100 miles there must be supply of cranes. For every 100 miles distant places unloading and loading is to be purely left to the discretion of the Railways and none should be allowed to interfere in that again. The charges can be levied as at present and as discussed supra. And in places above 100 miles the consignors shall be allowed to employ their own methods for loading and unloading of their goods. If they are unable to do so at the time and place specified, the railways will be able to do the same at their own accord, or get the same done on tender calling device.

Q: 20. In my opinion the passenger rates may be applied or charged in respect of animals also.

Q: 21.(a) I suggest that railways should not carry traffic when there are alternative modes of transport available cheaply. When there are no railways naturally there would be other means of carriages. Under this circumstance the traffic within ten miles distance may be considered as short distance traffic.

(b) & (c) Yes.

Q: 22. When compared there will be much difference. This difference must also be taken into account. I see generally in some parts that rates for transport by motor buses are 30% and even more than the railways freights. I also wish to state that passengers are carrying away great weights not getting them weighed and evading payment of freight. I therefore say that there should be thorough check of the weights carried alohg with the passengers.

Q: 23. I do not advocate creation of such a freight pool to fix the rates uniformly *irrespective of distance.* As stated for charitable and endowment purposes the transport charges might be fully exempted, but not for other traffic. Anyhow to avoid the feeling of discontent amongst the transporting public, as discussed in the above paras, it is better to remove the terminal and transhipment charges on long distances and provide free service to that extent. This measure has first to be tried as an experimental one first.

Again, if it is strongly felt in favour of creation of a freight pool, it should be particularly in respect of coal, iron and steel and chemical manures.

Q: 24. Yes.

Q: 25. The freight pool should work out by the joint efforts of the representatives of the railways non-officials and industry concerned and their recommendations should be sent to the highest authority of the Railway on its commercial side for its approval, and then get the same circulated to all the heads of the different railways in the country for its practical implementation.

Q: 26. I would like to suggest a modification of the present freight structure for the present so far as the agricultural materials and produce are concerned. This matter is dealt with above.

Q: 27 & 28, I have no knowledge and the required material is not before me to answer these questions. I think this information can be gathered more accurately by directing all the General Managers of the different zones to furnish a statement to the committee of these facts within a time to be specified.

Q: 29 & 30. As expressed above there have been some unfavourable cases over the short hauls only. As an alternative economic measure I would like to propose that station-to-station rates may be revised only within a limited mileage, say below 50 miles.

At the same time, I hope that this revival would sometimes result in blockade of movement of wagons and unnecessarily keeping the loads in the wagons for a long period. Therefore to avoid this kind of situation a way must be chalked out. I think it can be done by appointing a good examiner on these short hauls specially to see that loadings and unloadings are done promptly and fairly.

Q: 31. The railways freight policy must be such that it would not hamper the growth of the Industry and trade in the days of economic advancement. At the same time the railways' revenue should not be reduced or underestimated. That is to say the adoption of the freight measures must be congenial to either party for safeguarding the interests of the Government as well as of the public. Suppose if a 5% reduction in freights is imposed, to that extent the interests of the respective industry and trade would generally be safeguarded; but it need not be over-emphasized now that the financial position of the Government is not sound, and would not permit to go further in reducing the rates. But the Government is trying to relieve the industry and Trade from paying heavy freights and to remove the disabilities and disqualifications felt by the public at large. Under the 1st & 2nd Five Year plans the Government is spending huge amounts for the uplift of the people in all aspects of life, thus making the country as a whole prosperous and strong. So at the present moment of financial stringency, any kind of 'losing' is simply cutting the goose that is laying golden eggs. Moreover, it may be noted that the industries started under Five-year Plans have not yet gone fully into production to feel that their manufactured goods are undergoing heavy freights for transportation That is why I suggest that for still more two years to come at least no broad revision or modification need be envisaged.

Q; 32. No.

Q: 33. I do not advocate to create any distinction between a new industry and old in fixing the freights. It would sometime lead to serious consequences due to any trade depressions, and would create a frightful economy. It would be on the other hand showing a step-mother love between the old and new industries.

Q· 34. I do not like to suggest that separate charges may be recovered on the basis of inflated mileage for a certain period to augment the finances of the projects to be constructed because where there is a business enterprise there must be some financial background behind it. All of a sudden if the railways now rush up in aid of a particular industry or trade the balance of economy would be impaired and untoward things may have to be faced.

In this connection I wish to draw your attention to the circumstance that the present system of calling tenders for the execution of various works of railways is not wholly economical. If one probes well into the whole system of contracts one would ascertain that the real value of the material and labour utilised for finishing a certain work would be really far below than what is happening now. It is sometimes the contract system an impetus to the financial growth of the country or of a particular section of the country to which the constructions belong. Of course, I am not criticising the Railway contractors nor do I want to do so, but I expect that a hollow space would sound more. But how to execute the works? The answer is that a separate building Engineering Department would do the needful. Or, there must be some other such alternative. What I opine now may be wrong, but I request the committee to examine this matter also.

Q: 35. A freight policy uniform, convenient and economic in all aspects of the transportation in the country would in my opinion serve the needs of the Industry & Trade and the purpose of the railway on its financial side.

In this connection I wish to add that a delegation of experts from India should be sent to the important highly industrialised countries in the world like Russia, U. K, U. S. A. and China etc. to study their method of administration and to draw the precise mathematical distinctions between the various countries in respect of their railway freight structure. Then we would be able to assess more accurately the effect of the freight policy which the Government is likely to enunciate If a large capital is invested for the construction of new lines, it is impossible to recoup the state of economy to its original level. That is why until and unless a substitute source of income is found, new constructions should not be made if there are no sufficient revenues.

Q: 36. What all I could state is, the present structure of administrative policy in meeting the charges may safely be maintained. If one carefully examines the accounts of Receipts & Expenditure of the railways comparatively from 1947, the losses one finds out if any in particular items are mainly due to corruption among internal circles of railway department itself and due to ticket-less travelling by the so-called honest Indian people. At present electric fan and more sleeping accommodation are available in the 3rd class coaches also. Some platforms like Vijiawada and Madras are being developed and sufficient wagons are ordered to be made available whenever and wherever needed. So this kind of expenditure which provides safety and conveniences to the travelling public, and quick and economic transport of goods, should necessarily be met from the current revenues. Any premature and unwarranted meeting of charges by the railways would seriously hamper the growth of the economy and gains only an unqualified support. That is what is happening now practically on some zone.

Q: 37. I do not think it appropriate to utilise the railway revenues for any purpose of village and cottage industries. The surplus revenues of the railways may be advanced to other development sectors of national character on some interest basis to be recovered from them within the time agreed upon.

Q: 38. Whatever the general policy of the Government might be with regard to controlling or fixing ceilings for the prices of particular commodities, in my view, it does not materially affect the freight policy or cause any less hoarding of stocks unnecessarily.

Q: 39. I do not exactly know what those particular commodities are which are carried at the rates below the cost of transport.

Q: 40. It is a correct anticipation that the transportation capacity will have to be increased due to high rate of production and large scale consumption in the country of the various goods. But as stated above the

freight rates of some goods have to be revised. If the transportation capacity increases, the volume of freight also increases. Therefore, in my view, there is no need to be perturbed, in revising or modifying the policy suitably and timely.

Q 41. I do not see any reason to take into consideration the fluctuations in the markets of the commodities in fixing the freight rates. The export markets are just similar to 'hydra-heads' now-a-days, and as the one head is cut off even, they can do their duty with the other head, but the Railways cannot simply follow the trends of markets in all respects in adopting and revising the freight policies prematurely and hurriedly. But our India being an agricultural country and the population being agriculturists predominantly, some relief may be given only in this regard.

Q: 42. There has been a change in the pattern of traffic since 1947 onwards uptil now, and still more changes in traffic can be envisaged under the Development Plans of the various Governments in the States, and the Government at centre

Q: 43. So far as my knowledge is concerned I want to put forth the following :—

By adoption of the 1948 freight policy the trade in the country which was cornered in some parts previously spread far and wide in different directions, by which the traders and industrialists are indulging to secure a more prompt and easy mode of transport than they used to do in British yoke, of course, feeling certain difficulties which gave rise to the present revision.

The railways being a happy and decent mode of despatch of goods or even for passenger traffic than the rest of the other conveyances, there has been a growing attraction on the part of the business people preferring the railways than the other conveyances for despatch of their goods. Added to this, is there the circumstance that under the Five Year Plan period the country is advancing rapidly in all matters, more especially on the development side of the industry, thereby increasing the material wealth and prosperity of the country. The industrial centres are the most busiest parts of the country and in view of all these things, the freight rates of 1948 have therefore to be revised and changed in the light of what has been said above on a well planned basis.

So, in my opinion, in view of the quantitative and uneconomic factors arising in the country the 1948 freight policy did influence the industry and trade only in certain aspects of their development.

Q: 44. I am not directly connected with any particular industry. But within the ambit of my knowledge I may be permitted to state my view point under this question as follows :—

Naturally the Railway freight charges paid will also be included in the fixation of selling prices at the destination places if the concerned goods are despatched by rail. By this method there are and there were slight differences in the selling prices to the extent of 10% and in articles like iron and steel 20% at the various places. To avoid this, as far as the railways and trade are concerned, a common formula has to be evolved. Of course, I am sorry to note that I have not got the figures now to discuss as an example, but the co operation of all industries and trade circles must be extended to railways in solving this important problem. But the chambers of commerce and industry are the right people to answer this question. It is also to be noted that the selling prices would also slightly vary from place to place and the nature of trade according to the commission or discount that would be allowed to the retail dealers.

Q: 45. I have expressed my view in the earlier paras regarding the railway freight on the requirements of an agriculturist such as manures and seeds etc. The main thing to be considered is that there should be no difficulty or uneasiness in paying the freight and in movement of the agricultural goods, otherwise, it would cause adverse effect to the interests of the agriculturists. Anyhow, as stated above, there should be a decrease of freight irrespective of short and medium hauls for the transportation of seeds, oils and manures which are all needful to the crops. And in case the freight rates are excessive than even the face value of the commodities like seeds, manures etc. the production cost of the particular crop would be proportionately beyond the normal reach of common man. That means the railways should also observe the actual cost of the particular commodity transported and then fix the freight rate which would be at least not more than half the cost of the goods booked. All this should be done first of all as a trial on a certain zone, and if it is found good, then the same principle may be adopted in the other zones.

Q: 46. Agriculture is the main occupation of the people in East Godavari District and all varieties of grams and paddy are grown in extensive fields. But recently the ryots are taking special interest in commercial crops by growing sugarcane, tobacco and groundnut crops etc. Cocoanuts also are being exported in large scale than before. The movement in small consignments of Banana fruits and nuts, chillies, plants, onions and some grams also is generally found in these parts between the places Waltair and Vijiawada, as far as agricultural industry is concerned.

On the industrial side no big changes are yet taking place except the handloom industry which is given the incentive and encouragement to flourish. Cement production is likely to be enlarged. By the by glass, timber and coal produce are also being improved. After the 2nd Five-Year Plan the movement of these commodities would reach the summit figures if properly nourished.

Q: 47 I am not against the suggestions pointed out in this question, provided that safest and suitable measures can be found.

Q: 48 to 53 I am to say here that the industrial developments under both private and public sectors under the 2nd Five-Year Plan in this region are still in the initial stage and some are not yet finally shaped. And hence as far as I am concerned I cannot express anything now regarding these matters.

But I wish to add that the Government has decided to improve the cottage industries. It is also known that the Andhra Government

is giving financial support to some Mills and co-operative societies etc. Politically the Government of Andhra is not in a quick decisive mood in view of the Visala Andhra formation suggested in the States Reorganisation Committee's report and the various parties are engaging otherwise in political field. And I think it will be an exaggeration if I say anything of the Government's view of the public and private sectors under 2nd Five-Year Plan.

Q: 54 & 55. Above all I wish to state that there is a general demand for more wagons on all ten zones for disposal of the goods. Lack of sufficient wagons would otherwise cause extra maintenance charges for keeping the goods at Railway stations and goods sheds. It may also be noticed that Railway goods staff are not paying strict and proper attention in loading the wagon to its full capacity. Though the maximum weight of consignment to be moved in 'smalls' is exceeded still for purposes of movement such kind of materials though they have to be placed in full wagons, may be placed in 'smalls' if there is place left free. The present construction of wagons also is not economical in my opinion and the Engineering Department of the Railways should be asked to get the same built on a new experimental economic basis. I do not think it timely now to enhance the freight rates, more particularly in respect of finished products.

PART 1-B.

Q: 1. (i). The Government of India are introducing separate weights system, and pending its decision, I do not think it opportune for the Railways to consider the present weight.

(ii). The total production of finished goods can be indicated more accurately by the Federation of Indian Chambers of Commerce and Industry.

(iii). The short and medium hauls traffic is increasing day to day in respect of the finished products and long haul traffic in respect of cotton, jute, tobacco, oils, tea, confectionery and chemicals and groundnuts is increasing.

(iv). Almost all the despatch and receipt as far as the raw materials are concerned are being conducted mainly by rail. As far as my knowledge is concerned the despatch and receipt of the finished products are being conducted by rail to an extent of 70% and the remaining extent of 30% by lorries and by river.

(v). I think the transportation of edible oils is more economical both to the railways and the traders concerned if it is made in ordinary containers. But I think it is better if the transportation of petrol and kerosene oil is made in bulk in Tank wagons. The preservation and methods of storage to avoid any leakages or losses in quantities by long time storage in transit or evaporation due to air-conditions if any, are all matters that can best be decided on scientific lines. And I think that the distribution of these oils at the ultimate consuming points in any shape or in any way is not affected by the present freight structure. I also anticipate that there will not be any need for revising the railway freight rates even when the oil production is increased in future.

(vi). The sugar-cane traffic is generally made in my area in a greater measure and extent by carts than by rail and lorry. For these carts, the cartmen charge 8 to 10 rupees for a distance of 10 fo 12 miles, the high demand being in season days. One ordinary wagon can bear, I presume 2½ to 3 times more than one cart of canes.

As far as I know I have nothing more to say and I did what I could in the interests of the trade and railways. Of course, I could not answer all the aspects of the question fully under part I-B; but in view of what all is written in answer to the above 55 questions, I firmly hope and believe that the committee would dilute the whole thing and consider in detail what is good contained in the answer.

BIHAR

Shri Mithileshwar Pershad Shukla, 6th Year Economics, Langat Singh College.

Muzaffarpur.

PART I-A.

Q: 7. No objection.

Q: 13(a). It requires no revision. Re. 1/- is all right if minimum weight for 'small' consignment carried by goods train is 7 (seven) seers, but if it is raised to 10 seers minimum charge should be raised to Rs. 1-4-0.

(b) In an attempt towards uniformity and simplicity—my key note of suggestion-it should not vary.

Q: 14. The minimum weight for a 'small' consignment carried by goods train may please be raised to 10 seers from 7 seers on the ground suggested in this particular questionnaire.

Q: 20. In respect of the general developmental finance it would be better if in newly reclaimed area the freight may be lower in the case of import of live-stock, but in the name of uniformity and simplicity in freight

structure I would advise that a uniform low rate may be adopted for live-stock or animal than the discriminating rate.

Q: 21. (a) It is good that Railway does not carry such traffic where there are alternative modes of transport, but difficulty is in the case of finding out whether there is alternative possible or not. There is no certainty. So long in the case of coastal traffic such benefit of alternative traffic facility is possible but there also for small distance railway is thought the suitable alternative. So short distance traffic should continue for the case of the mobility of the factors of production for the Second Five-Year Plan.

(b) Whatever adjustment will be made, will be made uniformly but there may be area where the alternative is not possible. So I will advise no such adjustment except coastal or other shipping traffic.

(c) Yes, it is desirable to make such adjustment.

Q: 26. In view of the development in our economy and in view of the further development to be made I shall suggest that a low rate of freight may be charged on the raw materials and other bulky factors of production so that one raw-material from one corner of the country may be used economically in the other corner of the country.

This will also have a tendency of decentralisation in the industry.

In this way the market of raw-materials will expand.

Q: 32. In the name of simplicity and uniformity whatever attempts that can be made in this regard should be of general nature. Discrimination may help that industry but in the general interest that will be unhealthy.

Q: 33. Whatever suggestion that I have to make is of general nature. The efficiency of Railway Administration should itself be so raised that it should be equally helpful to new industries and old industry in advanced area and backward area. There should not be a distinction in freight rates. There are other concessions, in priority or otherwise that can be given but not in freight rate.

Q: 37. For Second Five Year Plan, as I have suggested in answer to the question 26 a uniform rate be charged for the import of raw material and other factors of production for that industry. All these help as suggested in this Q: 37 may be applied but not at the cost of uniformity and simplicity.

Q: 40. To me it appears genuine if such expenditures of long run developments, like arrangement of sheds should be made out of Development Fund. The principle of sound finance says that such expenditure should not be made out of the recurring expenditure. And for this if there is shortage, the railway should resort to Government Finance for taking money from the Capital Account of the Government of India Finances. Even for financial stability, I will not advise any charge on freight rate for this purpose or any charge on traffic levied for the purpose.

Here I am opposed to the view of the Taxation Enquiry Commission (Vol. I page 197) where the Commission views that essential cost of development may be included in the freight rate. However to my mind it does not in the microscopic view seem sound to include everywhere and always the cost of development besides the cost of operation in the freight rate.

Q: 51. Region—North Bihar. Muzaffarpur Region—N. E. Railway.

The important industrial expansion is materialisation of the Kosi and the Gandak projects. In the first phase of the plan, there would take the problem of mobility of new machineries for plants and other machineries required for the projects.

Q: 54. To me it appears that there should be two broader divisions, raw-material and the finished goods. The freight should be based on the principle of 'what the traffic will bear' But too much emphasis should not be advisable since demand for food grains is inelastic in India and for maintaining the national minimum of consumption it should not be too much exaggerated.

Since freight rate is directly related to economic condition of the people, the rates of freight should be so regulated as it should meet the cost of operation and the cost of essential development. There should not be any profit motive behind it.

Q: 55. (i) There should be simplification and the uniformity in the freight rate structure. The multiplicity of rates and sub-rates should not be followed.

(ii) The suitable alternative is shipping. So rates should not be adjusted for otherwise as in some area there may be motor transport while in others there will not be.

(iii) With regard to the controversy revolving round the Article 269 (d) of the Constitution—that whether a cess may be levied for state purposes—I shall suggest that in place of that cess railway should be allowed to manipulate the rate itself. This case is all the more strengthened in view of the development work which the railway has to perform under the Second Five Year Plan.

PART II-

Q: 17 (a). I am not aware of such scheme except in the case of one goods but advise that such arrangements should be based on a planned basis by railway in the Second Five Year Plan. If the capacity of warehouse is large private persons should be allowed to keep their goods in that for despatch or delivery.

I am aware of the warehouse facility at railway stations for tobacco by the private management under the license of Central Government Excise Department.

There will be simplification if railway itself makes arrangement. Such start may be made in important stations first.

(b) Railway itself I suggest should carry on. Such type of arrangement would be successful if theft in that case is minimised.

BOMBAY

Shri N. D. Vakharia, Advocate,

Bombay.

PART III.

Q: 1. (a) Yes. For widening them.

(1) Add clauses (f), (g) and (h) and two Provisos to section 41 of the Indian Railways Act, 1890 as under:—

(i) Cl. (f) "Alteration to class of merchandise or articles".

(ii) Cl. (g) "The question as to the classification in which the merchandise or an article should be classified".

(iii) Cl. (h) Unreasonable wagon allotment.

(iv) Proviso (1) "provided that at the hearing of any complaint if the Railway Administration produces a Resolution of the Central Government that the complaint raises a question of policy and its adverse decision would seriously affect the revenue of the State, the said complaint shall not be investigated by The Tribunal".

(v) Proviso (2) "Provided further that the Central Government was placed before the Parliament the complaints so taken away from the jurisdiction of the Tribunal.

Grounds for above Suggestions.

(1) In the present democratic set up to command confidence both of the trading community and the Railway Administration, it is necessary that the Tribunal's jurisdiction should be enhanced,

(2) The Parliament would lay down the policy in terms of which Government would be executing it. Hence power is given to the Government even to reclassify an article in a higher class. (Vide opinion expressed by K. Santanam and others in the debate on the bill on the subject in the Dominion Legislature in 1948.)

(3) But cases may arise when persons affected by that policy of Parliament or execution thereof by the Government in classifying articles in higher class would complain and the complaints should, therefore, be investigated by the said Tribunal. If this question is of considerable importance to the Central Government to remove the said complaint from the Tribunal's jurisdiction only on a Resolution of the Central Government and a further check is provided whereby the complainants would be enabled to ventilate grievances as to the complaints so removed from the Tribunal's jurisdiction in Parliament when they would be placed before the Parliament.

(b) No.

(1) *Grounds for the same:*—There is no such jurisdiction given to such Tribunals in other countries.

(2) Traders, Industrialists, Agriculturists and others adversely affected by any matter mentioned in section 41 would complain. They are sufficiently vigilant to exercise their rights.

(c) Does not arise.

Q: 2. The position is not satisfactory. For suggestions see answer to Q: 1 (a) and 3.

Q: 3. I am for it. It should be provided by amending Section 42 as under;—

(a) Omit sub-section (1) of Section 42.

(b) Rename sub-sections (2) and (3) as sub-sections (1) and (2).

(c) Add the following to clauses (a) and (b) as (b) one more clause (c).

(d) Clause (c) "to reclassify any commodity in a higher class.

Q: 4, 1. *Suggestions*: Forms should be prescribed by Rules for various kinds of complaints contained in Section 41. In the prescribed forms definite particulars should be required to be filled, regarding each type of complaint. This is to be on the lines of forms prescribed either by Civil Procedure Code (vide pleadings plaints etc., forms) and also on the lines of forms prescribed by English Railway Act 1921 (c. 55). These forms and the Rules should be sent to important traders and industries and agriculturists' etc, Associations in India so that they should be conversant with them while sending the complaints.

2. Rules should provide that pleadings (complaints and written statements) should be accompanied with copies of material documents relied on by the parties to avoid delay and give a clear picture of the case in advance to the Tribunal.

3. Complaints should not reach hearing if the Railway Administration has redressed or agreed to redress the same.

4. Rules should also provide for appeal and review.

Q: 5. Yes. I agree with it.

Grounds: Since particular procedure is provided for deciding the complaints (more or less on the lines of Civil Court cases). some time is bound to be taken. However, by following the suggestions mentioned in answers to Q: 4, delay would be minimised.

2. Government or the Tribunal should divide the country into 5 or 6 zones or more according to the importance of Trade. Industry and Agriculture and quantum of

complaints received. The Tribunal (one permanent member) should sit at these zones. There may be constituted zonal members panels from which one person would sit as a member of the Tribunal along with permanent member. At these zones there should also be zonal panels of Assessors. By keeping a small staff at these zones, matters would be expedited.

3. For zonal panels system procedure followed by Bombay Revenue Tribunal of the Bombay Government which has zonal Tribunal sitting at important cities such as Bombay, Ahmedabad, Poona etc, may be looked into.

4. A rule may be framed whereby the Railway Administration or the Ministry of Railways or Railway Board may be asked to consider in advance the complaints and if they are prepared to redress the same the said complaints shall be disposed of without hearing by the Tribunal.

5. The Railway Administration may also be directed to see that no delay occurs on their side.

Q: 6. Yes. I agree.

Grounds:—But looking to the nature of the matters which complainants would bring and the defence which will be put up by Railway Administration the cost is bound to be high.

Q: 7. No.

Grounds:—The Railway Administration is obviously competent to present their own defence as they are armed with staff with necessary technical qualifications (The Departmental Officers concerned) and the material facts including of law. The private parties are neither armed with the same nor are they legally qualified nor do they want to take a risk in such matters, and, therefore, necessarily the private complainants will not take the risk of arguing their cases themselves. The analogy of the matters in the Court is an instance in point.

Q: 8 and 9. *Suggestions*: *1.* The Tribunal should be named as a Court and it should also be a court of Record. (See English Railway Act.)

2. The Tribunal should be constituted of 3 permanent members. The President must be a person of the status qualified to be appointed as a High Court Judge.

3. The maximum number of persons to be members must be fixed at under the Statute.

4. At least two members should be permanent and two of them as temporary, appointed as exigencies may arise.

5. From the Trade, Industry and Agricultural Zonal Panels of each zone (vide Ground No. 2 of answer to Q: 5) a member would sit with the permanent member at the zonal place to dispose of the complaints. The members selected may vary with the nature of group complaints and if a member selected is from Industry or Trade, another member representing interest of another group type complaints e g. agriculture, may be selected.

6. The Panel should be zonal and should be on the lines of English Railways Act from Traders, Industrialists, and Agriculturists and from Transport.

7. The complaints of zonal places would be disposed of with the help of two Assessors, one Assessor from one panel (Trade, Industry and Agriculture) and one Assessor from the Transport panel.

8. The functions of Assessors should be defined and where both the Assessors agree on the redress of a complaint in a particular way their opinion should prevail.

9. An appeal should be permitted from zonal decisions on the lines similar to the provisions in the English Railway Act.

10. Review should also be provided but it should be only once and on the lines of the provisions contained in Order 47 of Civil Procedure Code

Q: 10. (a) The zonal panels will fulfil the objects provided they are properly selected and properly remunerated.

(b) The Assessors should not be for individual complaints but for group complaints, every complaint being grouped into Trade, Industry or Agriculture,

Q: 11. I do not approve of the suggestion of an independent body.

I have suggested extension of powers of the Tribunal.

Grounds:—Since the ambit of Section 41 and the decisions of the Tribunal are as of a Court of Record, there will be a sanction attached to it as stated earlier. If only a question of policy arises affecting the revenue of the Union, and if the Central Government passes the resolution, then only the matter will be taken out of the hands of the Tribunal. Even then a provision is made to put the matter before the Parliament for discussion and parties interested would discuss it and the Parliament would also thus know what the view of the complaints are. The ultimate control will remain with the Parliament and at the same time parties would also get opportunities to persuade the Parliament to their view and then the Parliament would decide taking into consideration the debate and the focussing of the attention of the public.

Q: 12. No.

Grounds. Railway Rates Tribunal as stated above has its importance and its functions. In a vast country like India and particularly so when the expansion of Trade, Industry and Agriculture is to go on rapidly by 5 Year Plans, complaints would certainly arise and they should be decided judicially to arouse confidence in the people. Mere advisory body like that of Tariff Board would not fulfil the purpose in view.

My own:—Statutory provision should be made for appeals and reviews.

Shri G. D. Somani M. P.

AND

Shri B. D. Somani,

Bombay.

PART I-A.

Q: 1. For many years there has been a persistent demand for a radical alteration of the railway freight rate structure, with a view to its being placed on a more logical and scientific basis and but for the outbreak of Second World War the revision should have come much earlier.

When the revised classification of goods was introduced in 1948, it was rather inopportune in that it happened to be at a time when the pattern of industry and trade had not had time to settle down to normalcy from war-time conditions. While we recognise that the demand for revision had to be met, it must be at the same time realised that any change that is adopted to meet conditions which themselves are not stable cannot be beneficial to the country. From this point of view the changes effected in 1948 were certainly ill-timed, though the telescopic basis of charge, one of the measures introduced at that time, must be regarded as a distinct and permanent advance over the previous unscientific and illogical rating structure.

The benefits of a telescopic principle of charge depend largely not only on the number of legs but also on the distribution of these legs in the various distance ranges and as far as the Indian rating structure is concerned there can be little doubt that the distance range of 300 miles, both for the first and second legs, is entirely unscientific. This position will be appreciated when it is remembered that, despite long distances, the average length of haul is generally in the region of 300 miles. This means that, in effect, the benefit accruing out of the telescopic principle is nullified, since the majority of movements is within the first leg and traffic, does not enjoy the reduction in charge which is normally obtainable under a telescopic basis of charge

This condemnation applies particulary to all the class rates. In the case of wagon load scales, while great foresight was shown in restricting the first leg to 200 miles in relation to the first two scales (WL/A, WL/A:R and WL/B, WL/B:R), this correct appreciation of the position appears to have been ignored in making the second leg apply to a distance range of 300 miles, a decision that on the face of it condemns itself as illogical. As for wagon load scales WL/D, WL/E, WL/F, WL/G, WL/H and WL/I, the criticism against the class rates apply with equal force, since the first leg is of 300 miles and trade and industry is thereby denied the benefit it can normally expect from a telescopic basis of charge.

As regards the effect on industry and particularly on short distance traffic of the revised freight structure, we would like to draw the earnest attention of the committee to the most inequitable and unbearable burden entailed, under existing conditions, on bulk movements of industrial raw materials, all of which are almost invariably of the nature of short distance traffic, moving within a distance range of about 100 miles.

While it is granted that under a telescopic system of charging the short distance traffic is necessarily called upon to bear disproportionate charge, this defect, inherent in the system, has been aggravated on the Indian Railways, not only by the length of the first leg but also by the application of other additional and totally unjustified imposts. There are the short distance charge, the standard terminal charge, the minimum distance charge and lastly the overall minimum charge of Rs. 1-12-0 per ton. It is certainly no exaggeration to say that the overall burden of all these levies on short distance traffic is out of all proportion either to the cost of the materials or to the operational cost of the Railways and that no system which legalises all these imposts simultaneously can ever be called scientific. In any event it should not be difficult to see that the existing position in this regard can hardly be said to be helpful to the cause of our industries. It should not also need much argument for anyone to realise that it is only:—

i. the severe control exercised over the licensing of motor vehicles.

ii. the heavy taxation levied on the road transport, and

iii. the undeveloped condition of our roads,

that have prevented road transport from taking all this traffic away from the hands of the Railways.

From the information at our disposal we detail below the cases of certain industries to indicate how exactly they were affected by the higher freight charges resulting from the changes introduced in 1948.

(a) A Cement factory was established at Sika, Saurashtra on the basis of the facilities offered by the then Jamnagar & Dwarka Railway, the most important of which were the cheap freight rates allowed for raw materials. The rates were successively increased when the then Jamnagar-Dwarka Railways were merged in the Saurashtra Railways and when the latter, in turn, merged into the Indian Railways. The rate from Bhatia to Sika (a distance of 53 miles) as in force on the Jamnagar-Dwarka Railway was Rs. 1-3-0 per ton, while the increased rate prevailing from 1—4—1950 works out to Rs. 4-14-0 per ton *i.e.*, an increase of over 300%.

(b) The introduction of revised rates and the abolition of station to station rates have

seriously affected the transport costs of sugar, as will be evident from the undermentioned details:

From :	To :-	Old Rates per md.	New Rates per md.
		Rs. a. p.	Rs. a. p.
Dalmianagar	Howrah	0 8 9	1 1 9
Sachara	Howrah	1 5 6	2 7 3
Rampur	Howrah	1 2 6	2 5 5

Simultaneously cane transport rates also went up considerably. Thus while the previous rates were Rs. 11-4-0 per truck of sugar-cane irrespective of capacity upto 25 miles and Rs. 12-6-0 per truck from 25 to 33 miles, the new rate quoted was Rs. 39-0-0 per truck of 22 tons capacity upto 49 miles. In the case particularly of short distance movements, of say about 10 miles, the increase was of the order of about 700%.

(c) A chemical Factory set up at Mithapur was given special rates for conveying their products to Okha at a distance of 7 miles. The increase in rates for the different products is as below:

Product :		Old Rate.	New Rate.
Soda Ash	...	0 1 5	0 2 11
Caustic Soda	...	0 1 5	0 2 11
Bleaching Powder	...	0 1 6	0 2 10
Hydrochloric Acid	...	0 2 6	0 5 5
Liquid Chlorine	...	0 1 3	0 3 10

It will be observed that in almost all these cases the new rates are more than double the old ones.

Q: 2. We do not think it possible for anyone to claim that the present rating arrangements permit of sufficient flexibility to meet the legitimate needs of industry and trade. It should also not be difficult to appreciate that any system of charges which is inflexible is bound to be reactionary and unsuitable. In the past, despite the other defects it may have had, Indian Railway Administration had one great merit, in the full discretion given to the Commercial Department of the Railways to vary rates to suit the fluctuating needs of industry and trade. The Railways were in a position to experiment with concessional rates and to hold out the promise of a concessional rate when certain additional traffic materialised the concession being withdrawn when the expectations of further traffic did not materialise. Such scope for experimenting with rates, with a view to developing fresh traffic and assisting industry, appears now to be completely absent on our Railways and, as far as we are aware, no such experimental rate appears to have been quoted since 1948.

The harmful effects of this hide-bound system of administration have already been felt. To quote but one instance, during the stockpiling programme of the Western Nations and America, there was a great demand for Indian Manganese Ore. While, literally, there are mines all over India, only a few could be exploited, because of the lack of encouragement from the Railways. In this instance, if our Railways had been bold enough to hold out the offer of developmental rates we feel sure that several industrialists would have come forward and undertaken the risk of exploiting the mines. It is obviously unfair to expect them to undertake a series of risks simultaneously—the uncertainty as to the quality and quantity of the ore and the fear of an unsympathetic Railway Administration.

It is, accordingly, most essential, if our rates structure is to have a desirable measure of flexibility, that the Commercial Department of our Railways should have enough discretion to enable it to experiment with rates, with a view to assisting and developing traffic. This, in a sense, is implied by the criterion we have referred to in another part of this reply, that freight rates should not be viewed purely from the revenue point of view. At present the fear of incurring the displeasure of the Accounts Department appears to have killed all sense of adventure and initiative on the part of the Commercial Department, which, thereby, is reduced merely to performing its routine duites.

Q: 3. At first sight the existence of 16 classes and 11 wagon load scales would appear to provide a sufficiently detailed and very comprehensive classification, but on closer scrutiny, it becomes obvious that there is considerable scope for reclassification and regrouping on a more rational and simplified basis.

A few examples of the confused groupings will indicate the necessity of further breakdown in the classification. In Class I are found commodities as cheap as ashes, earth, sand etc. grouped with commodities like ballast, bran, grain and pulses, pig-iron and seeds. It is at once clear that commodities which are in a raw state and almost valueless are grouped with those that have undergone some process of manufacture.

Similarly, in Class II bamboo is grouped with chemical manures, agricultural implements with saw dust, grass with billets and blooms, wastepaper with straw-board and so on. Here also the grouping of articles which have undergone some process of manufacture, with those that are found in the raw state necessarily calls for regrouping.

Instances of inconsistent, and irrational groupings are far too numerous to be mentioned here.

There should be a drastic overhauling of the existing heterogeneous system of classification. A completely simplified system of classification is urgently called for. The number of classes should be reduced, as far as possible. The commodities should be regrouped on a more scientific and rational basis. For example the commodities may be grouped into classes, more or less on the following basis:

1. Low-cost materials obtained from earth without much labour or capital, e.g., sand, limestone, clay and gypsum, etc.
2. Ores of various kinds and cheap products made from earth, (bricks, ballast etc.)
3. Ordinary agricultural produce; specialised agricultural produce (money crops) etc.

4. Semi-finished goods.

5 Finished goods and industrial products.

6. Semi-luxury and luxury goods etc.

The rates to be applicable to each class should be decided in accordance with the accepted principle of the value of the goods and the capacity of the trafffc to bear the class rate.

This is a matter of the utmost importance and should be carefully examined by an expert committee, on which should be represented the various interests such as the Railways, the Ministries of Agriculture, Works and Mines, Production etc., on the one hand, and on the other the different Commercial and Industrial interests concerned.

Q: 4. There is not much practical value in debating this question, unless the distance limit is so fixed as to permit of ordinary movements beyond that distance. Although in India distances are very great, there can hardly be much movement of traffic in the distance range of 1500 miles and beyond and the fixation of a charge beyond that distance can, therefore, only be a matter of academic interest.

In theory, each additional mile may be presumed to add to the Railways' costs and as such it may not perhaps be very unreasonable for the Railways to expect some compensation for such expenditure. We would at the same time like to reiterate that the question of cost and return should be viewed over the Railway system as a whole, as there must undoubtedly be instances where the returns are in excess of the costs.

Logically, if a maximum rate has been fixed for all classes for some wagonload scales and for coal, it may be desirable to have this position extended to the remaining wagonload scales also.

We would strongly urge that the present procedure in this matter must continue in regard to coal and that it should also be made available for essential supplies such as foodstuffs and textiles. It is well known that we are now aiming at the decentralisation of industry and the development of the underdeveloped and undeveloped regions in the country. A facility on the lines we are recommending would be conducive to long movements where they are found to be essential-carriage of coal from the coal fields to the outlying regions that are to be developed and the movement of food supplies and textiles to far off regions as in the case of textiles from Bombay or Ahmedabad to Assam, etc.

Q: 5. Historically terminal charges represent the cost incurred by the Railway administration in rendering certain specific services to its customers. Terminals, it will be remembered have been drafted " as a reasonable fee to cover charges for services incidental to the consignors or duty of a carrier, such as the working charges, repairs, renewals and insurance of station buildings, sidings, sheds, platforms, warehouses, cranes, turntables, weighing machines, hydraulic power, fixed appliances, machinery etc., ground rent, loading, and unloading, clerkage, welghing and checking of goods, stores, covering, porterage and other labour of every description, shunting, gas, lighting, rates and taxes, risk of damage in loading and unloading, cartage, claims for compensation etc. etc., inclusive of profit."

Based on this definition, different terminal charges were levied on different commodities and on different railways in accordance with the services performed by the Railways. To the extent the standard terminal charges represent the fair average of the actual out of pocket expenses incurred by the Railways on the provision of terminal facilities, no objection can be taken to the recovery of such charges from the customers, but by no stretch of reasoning can one justify the institution of uniform charges on all commodities under different conditions, without regard to the extent of services performed or not performed.

From the foregoing definition it is apparent that articles such as clay, limestone, ore etc., that are booked in bulk in open wagons without weighment, labelling, packing, storage in covered accommodation etc., are entirely in a different category from such items as cloth, food-grains or general merchandise for which such services are called for. Such a difference in the responsibility shouldered by the Railways must in all fairness be reflected in the terminal charges levied if the latter are really to be charges for certain services rendered.

Undoubtedly there is great merit in the principle of standardisation where this is achieved by a scientific process, but we are fully aware and convinced that the manner in which the present terminal charges are now levied must stand condemned outright. In fact, looking to the most objectionable nature of the practice of levying uniform charges on different commodities at different places under vastly different conditions one cannot even avoid the suspicion that perhaps standardisation has been resorted to in this regard only to have the matter taken out of the hands of the Railway Rates Tribunal.

We must accordingly emphatically reiterate our point of view that in direct proportion to the services rendered by the Railways a lower rate of terminals only should be charged in respect particularly of bulk movements of industrial raw materials. In the case of these movements it will be appreciated that the loading and unloading is done by the customers themselves, the wagons arriving at the terminal station being moved straight to the factory siding without the Railways being called upon to perform any such duty as unloading, taking care of the goods or storing them in covered space, as are normally required for general merchandise. In this connection it must be remembered that there are even now no less than three sets of terminal charges the first one being the standard terminal charges, another the one levied in cases where a rebate is allowed for loading/unloading not done by the Railways and lastly the reduced terminals on coal. The conditions under which coal movements take place are not very dissimilar to those governing bulk movements of industrial raw materials and there is really every justification from the point of view of equity, for the latter also being subjected to the same reduced terminals as coal. In any event there is clearly a case for the terminals on industrial raw materials being reduced in accordance

with the reduced terminal services which alone the Railways have to undertake for such movements.

Short Distance Charge: It does not need much explanation to stress the fact that the short distance charge is a relic of the past which can find no place in the present context. When the basis of freight was a flat rate varying with the mileage there was every justification for the levy of an additional charge on the traffic moving only over a short distance. The economic justification for this additional charge was provided by the higher cost or rather the lower profit of the railways from the traffic moving over a short distance involving an uneconomic usage of wagon space. But this justification has totally disappeared with the introduction of a telescopic system of charge which itself provides for a relatively heavier burden on the unremunerative part of the traffic. In the telescopic system the gradation and scale are deliberately loaded against short distance movements and there is therefore no more any need for any additional penalty like the short distance charge. The fact that Railways have been authorised to reduce or even withdraw in full this charge in deserving cases is itself an indication of the realisation by the Railway Board of the weakness of the case behind the levy of a short distance charge. It should also be borne in mind that the wagons used over the short distance are mostly for bulk movements of raw materials and are open and old local ones and largely of a non-poolable type and comparatively their earnings should be greater than from other commercial traffic where loads are uneven and uneconomic. Again bulk movements by pack trains give a much higher return to the Railways and better earnings, under all these heads, should more than compensate the Railways for their loss on the unremunerative short distance traffic even where it is not taken adequate care of under the telescopic system.

Historically the short distance charge was used as an instrument of competition; it served to 'block' a route that was competitive. It is, therefore, a painful legacy which must be disssipated as quickly as possible.

We give below certain details to illustrate what proportion of the total charges is borne by the short distance and terminal charges as also to what extent these imposts serve to inflate the freight burden on industry.

Example 1.

Station to Station Rates	Short Distance Charge		Terminals
Freight: 16 pies	6 pies		12 pies
...	= (Total 34 pies per md.)		...
Short distance charge accounts for	... ...	17.7 % of the total rate.	
Terminals account for	... ...	35.0 %	do
Both the above account for	... ...	52.7 %	do
Short distance charge is	... ...	37.5 % of the actual freight.	
and Terminal charge is	... ...	75.0 %	do
Both these represent	... ...	112.5 %	do

Example 2.

Station to Station Rates	Short Distance Charge		Terminals
Freight: 9 pies	6 pies		12 pies
...	= (Total 27 pies per md.)		...
Short distance charge accounts for	... ...	22.0 % of the total rate.	
Terminal charge accounts for	... ...	44.0 %	do
Both the above account for	... ...	66.0 %	do
Short distance charge is	... ...	67.0 % of the actual freight.	
Terminal charge is	... ...	133.0 %	do
Both these represent	... ...	200 %	do

These details should serve to draw attention to the overwhelmingly heavy burden now imposed on short distance traffic (which as we have mentioned elsewhere consists for the most part of bulk movements of industrial raw materials, representing the basic needs of industry), and in the light of the arguments we have detailed earlier we feel most strongly that there is no more any need for the short distance charge which should be done away with in its entirety and that the terminal charges should be collected only in direct proportion to the terminal facilities provided by the Railways.

Transhipment Charge: There is no doubt that Railways incur expenses at break of gauge points. To that extent a fee is correctly leviable. That is one side of the picture; the other side would trace the saving in costs of transportation if the traffic were to be carried without transhipment enroute. Keeping in mind these two factors a transhipment charge at break of

gauge point is entirely logical and economically justifiable.

There can be also little criticism about the recovery of three pies per maund as transhipment charge on smalls traffic and of two pies per maund on wagon load traffic. Here it is only necessary for us to stress that if the Railways regard the transhipment charge as a source of profit then they would be resorting to uncommercial tactics. This additional levy will only find acceptance to the extent it is actually related to costs.

We would also like to refer in this context to a point we have stressed elsewhere in this reply—that it would be most undesirable for the Railways to attempt to maintain a relationship between costs and earnings in respect of each and every individual item of expenses unless scientific allocation of expenses is possible. What is essential is that the overall position should remain substantially sound.

There has always been the chronic complaint, that the transhipment of goods at break-of-gauge points, is leading to undue and avoidable delay, thus considerably increasing the overall duration of the transit. As this transhipment is carried out mostly by manual labour, it is slow, inefficient and more costly. Complete mechanisation of the methods of transhipment at break-of-gauge points, by the introduction of movable, automatic and power-driven cranes and other mechanical appliances would greatly reduce the high cost of manual labour, increase the efficiency and speedy disposal of the goods at transhipment points.

Such mechanisation would relieve the present chronic congestion at transhipment stations and more than all it helps to release wagons speedily for further service. The economies thus resulting from the maximum utilisation of the rolling stock and reduction in the cost of manual labour would enable the railways to reduce the present rates of transhipment charges to a very great extent, assuming that it is not the policy of the Railways to make any profit out of these transhipment charges from the users of the Railways.

Q: 6. In the present climate a move to increase the distance unit for charge would not find acceptance. It is in a sense a novel idea for which there is little economic justification. It is not in operation on the Indian Railways with the exception of the 'big zone' beyond 1,500 miles, where in the case of class rates and certain wagon load scales, the maximum charge has been fixed.

Fundamentally there is no objection but the advantage, if any, must be indicated. There may be some saving in printing costs on tariffs and, if the higher mileage is taken for arriving at the charges, there would be slight increases in the rates.

A bigger distance unit is in operation for coal so that it could be said that there is already in vogue a system of charge where the rate increases not per mile but per unit of three miles. Coal, however, is treated on an entirely separate footing and so if, in the revised rating structure other similar commodities-crude ores and cheap natural commodities such as earth, sand, grass etc,- are to be accorded the same favourable treatment as given to coal, then a three-mile unit would certainly not be unacceptable to trade and industry or detrimental to the interests of the country.

Q: 7. 20 miles is a fair minimum distance for charge, but with the increasing tempo of industrial progress and the growing realisation that Railways are primarily meant to carry basic raw materials over short distances, as normally industries are located very near the source of raw material supplies, it would not be advisable to increase this limit. Rather, industrial developmental needs are to bring down this minimum distance charge so as to enable industries to get their basic and bulky raw materials cheaper, instead of increasing this minimum which is bound to increase the cost.

Short distance traffic is undoubtedly costly to cater for but the economic justification for a minimum distance charge should certainly be guided by the basic needs of industry for the transport of their raw materials and also the fact that the Railways obtain return traffic in the shape of finished goods, on which higher rates are applicable, rendering the traffic more remunerative to the Railways. It must also be remembered that a prohibitive charge on such traffic may result in its diversion to alternative means of transport, thereby resulting in loss to the Railways.

It is felt that movements within a zone of 40 or 50 miles must be relatively few and confined to heavy, bulky raw materials which cannot easily be transported by road. This traffic should continue to be transported by the Railways as cheeply as possible.

Railways may be justified in fixing a minimum charge per small consignment so as to be compensated adequately.

Q: 8. The empty haulage charge levied on tank wagons on certain Railways is not quite justified since the procedure does not obtain uniformly on all the Railways. It is true that tank wagon is a special type of wagon which generally does not obtain a return load and, therefore, in principle, there could be little objection to the recovery of an empty haulage charge. But then logically such a charge would have to be extended to all the specialised type of wagons—motor vans, well-wagons, etc., that may be introduced in the Railways to meet the requirements of any particular trade or industry. It must also be appreciated that in practice quite a large number of ordinary wagons too, move empty on the Railways and it would not be quite fair to single out tank wagons alone for harsher treatment. It would mean that there is no settled policy but that archaic principles are being followed. It must also be remembered that the empty haulage charge is a legacy of the past which should have been abandoned on the introduction of the revised rating structure.

Q: 9. There can be no objection to a logical grouping of commodities in the general classification of goods for it not only serves to bring out the common characteristics of these commodities but is also helpful to a correct appreciation of the rating position. Care must, however, be taken to see that the grouping is not haphazard and that commodities are not placed together merely because of external similarity. It

must also be appreciated that the common characteristics are not so much scientific as practical, in that they are akin from the commerical and transportation points of view.

There is another aspect of this matter of which, we believe, the railways are already aware. The similarity must cover not only the ordinary chemical or scientific affinity but also uses and prices. This is important since one of the main principles of rating is value of service. This, together with transportation characteristics, must determine the grouping of commodities in the railway classification of goods.

We have already indicated the basic principle to follow, while answering Q: 3.

Q: 10. Nobody would probably agree that the existing clasification of goods is quite satisfactory and at the same time no two persons may agree on the exact changes that are necessary. It should also be noted that while the practice in other countries may furnish some guidance, it should not be blindly copied as conditions in India do not correspond to those obtaining anywhere else in the world.

One can point to several anomalies in the present position, as for example, the existence of the same rate for raw jute and hessian cloth, for crude asbestos and asbestos cement and for raw cotton and cotton rope. Similarly the grouping under the wagon-load scale WL/C would also call for criticism on the ground that the transportation characteristics of the various commodities are not at all similar. Nobody would dare to suggest that the commodity 'ashes' has anything in common with 'ore'; or that paper waste and paper cuttings have an affinity with stone, sand or firewood.

It is more than likely that the Railways are aware of all these and similar cases and also that they have allowed them to continue for what they regard as valid reasons. Before we can make any suggestions for any improvement in the grouping of commodities we must have before us an indication of the exact reasons that have led the Railways to adopt and maintain the present classification of goods. It is only with this background that we shall be in a position to make any contribution to the effort to devise a more rational classification. It is, however, clear that all these rather inexplicable instances of classification must be re-examined and corrected, if possible, without detriment to the prosperity of trade and industry and the overall revenue position of the Railways.

Classification is, however, a long and laborious process. It is also a slow process which, in a sense, can never attain completion. A scientific classification must evolve out of the economic needs of the country and, as the pattern of economic changes, so must the classification change, if it is to be responsive to the needs of the country. Similarly, classification must also change with every shift in emphasis-on agriculture, on industrialisation, on handloom or cottage industries, etc. Finality of a general classification of goods is an impossibility. Resilience and flexibity must, however, be the hall marks of a good and scientific classification.

Classification, after all, is not an end in itself and its object should be to facilitate the establishment and development of Industries on the basis of the fullest utilisation of all available resources. We accordingly recommend that on a scientific basis and in accordance with what the traffic can bear the Railways can with advantage have a broad classification of commodities as indicated by us in our reply to Q: 8.

There is, of course, nothing final about the basis we have put forward, but we feel that such a classification has much to commend it, as it is simple, easy to understand and has a rational basis behind it. The Railways should certainly be able to evolve a re-classification on these lines.

There should be a specific ratio of freight between each of these groups and the freight on raw materials and semi-manufactured goods should be lower than on finished goods or luxury items.

Q: 11. On all logical principles and on the basis of the fact that the cost of moving traffic in wagon loads is provenly lower than moving traffic in smalls there is a definite case for a lower charge for the same commodity when offered in wagon loads and a still lower rate when offered in train loads.

While it is admitttedly difficult to arrive at an actuarial valuation of the costs, which should be reflected in the charges, it will probably be accepted as a fair figure that traffic in wagon-loads should bear at least a 10% lesser charge than smalls traffic. If this is considered too great a reduction, then a two-step concession may be considered. That is, if a commodity is placed in the 8th class for smalls, it should be placed in the 6th class for wagon-loads.

In regard to whole train loads moving from one station to another, having in mind the savings in engine usage, and in the elimination of delays enroute and at marshalling points, a 20% discount in the charge for smalls will not be too disproportionate a concession.

Traffic in train loads will most probably be restricted to certain commodities, as also certain areas. Economy can be achieved by carrying such traffic when rolling stock and locomotive power are not required for other purposes.

Q: 12. There has never been any justification for the minimum charge for consignments in wagon loads at Rs. 1-12-0 per ton on the carrying capacity of the wagon. Railways may be entitled to levy minimum charges to compensate them for out of pocket expenses, but a charge of this description has no meaning. It is in fact an admission by the Railways that their scale of charges is unscientific and is unrelated to an economic return per wagon mile.

We believe that this view has been endorsed by the Railway Rates Tribunal and we would accordingly urge that this minimum charge should be totally abolished.

Q: 13. It would be difficult to arrive at the exact cost incurred by the Railways in receiving, marking, invoicing, sorting and loading smalls traffic. There is, however, no doubt that smalls yield a smaller wagon mile revenue than traffic in full wagon loads. On that account a higher minimum

charge per consignment may perhaps be justified and it would appear that the present figure of Re. 1/- could with some justification be raised to Rs. 2/- per consignment.

If, as indicated above, an increase in the minimum charge per consignment on smalls is effected, there would not be any justification for varying it with the class of commodities, for costs can hardly vary with the class of commodities but would rather depend largely on the manner of packing and the shape of the package. In fact from this aspect there would be some excuse for the Railways to treat all smalls as one commodity.

Q: 14. A minimum weight for a 'smalls' consignment has perhaps an equal justification as a minimum charge for smalls and there is little room for doubt that in the economy of today the weight of 7 seers is a somewhat low figure. A smalls consignment of this weight could easily be carried by parcels train, if not by post. Further, considering that smalls consignments are more susceptible to loss in transit by goods train, it may not be unreasonable to increase the minimum weight for smalls traffic by goods train to 20 seers.

Q: 15. If competition from road transport were really effective, there would be a good deal of support for the suggestion that smalls traffic moving within the vulnerable area should be placed in one class or category. This would mean that the Railways would adopt the system of charging which is being followed by the road services. In that measure there would be the acceptance of the long disputed claim that motor services are more efficient than the Railways. Having in mind, however, the absence of effective road competition and also the fact that the economy of the country is not so highly developed, we do not think there is any need for such a radical departure from the present position. In course of time it may be necessary but in the present day circumstances there is no justification for the Railways to adopt the principle of costs which governs the operation of motor transport.

Q: 16. It has already been suggested that traffic in wagon-loads is entitled to due consideration; similarly, traffic in train loads is also deserving of greater consideration. As a corollary it follows that when a concession is being given for wagon-loads the size of the wagon load should be specified as exactly as possible, having due regard to the nature of the commodity and the average carrying capacity of the wagons in general use on the Railways.

In principle, there would be no objection to an upward revision in the weight, but care must, however, be taken to see that the limit is well within the actual capacity of the wagons, that this procedure takes note of trade practices in respect of loading and, most important of all, that it will not entail any additional burden on trade or industry.

In the past unilateral action has been taken by the Railways. While they can legitimately demand that their wagons must go fully loaded, trading practices cannot be entirely ignored. This is, therefore, a matter for mutual agreement between Railways and commercial bodies.

As regards the suggestion that the present class rates be adopted for wagon-loads and that an extra charge be levied for smalls, this cannot be accepted without a detailed examination of the present pattern of traffic. If traffic now moves at class rates in smalls generally, a reduction in the rate for wagon-loads would probably provoke an immediate response from the trade who would be coaxed into taking advantage of the lower charge. Where there is no dual classification, and traffic moves generally in wagon-loads, it would automatically mean that trading practice has adjusted itself to the present freight rates. In that case the provision of a smalls rate at one or two steps higher than the existing classification may not perhaps be greatly resisted.

We support the suggestion that a reduction in the rate should be quoted in cases where goods are loaded beyond the minimum weights per wagon, with a view to assisting the Railways in the fullest utilisation of the available wagon space.

Q: 17. It is rather strange that it should be asked whether a 'train load' rate is a feasible or desirable feature of any rationalised freight rate structure. For this question ignores not only the ordinary principle of rating that the cost of any services should be reflected in the charges for that service but also the essential and historical fact that, everywhere else in the world and even in India, some sort of a train load rate has actually been in operation, though, in this country, restricted to one or two commodities and to one or two areas of operation.

In our reply to Q: 11, in regard to the proper relationship between the rates for smalls and for wagon loads, we have already indicated the justification for a train load rate.

The advantage of a train load rate accrues not only to trade and industry but also to the Railways, as it is demonstrable that traffic in train loads is cheaper and easier to handle than traffic in wagon loads and certainly much cheaper and much more remunerative to the Railways than traffic moving in smalls. There is the elimination of the sorting of wagons and marshalling trains: there is the saving in engine costs as pick-up en-route is obviated; there is the further saving in costs arising from the fact that through running is possible. All these gains, however small individually, must add up to a considerable figure and the public is entitled to a share in this economy in the costs of operation.

There is one point that needs to be carefully considered in this connection, namely, the need for asking special efforts to supply empties for traffic that generally moves in train loads. This aspect is stressed because it appears to have been ignored in the past on Indian Railways. A stray supply of wagons may not cause any empty running, as such supplies are not difficult to make, but when it comes to a fixed, regular supply of 30 or 40 wagons for a block rake, there is bound to be a heavy movement of empties. It will accordingly be necessary to provide in the train-load rate an adequate margin to cover the cost of supplying empties in block rakes.

There is another aspect here which also calls for comment. Railways do not appear to study and analyse the movements of traffic. It is quite impossible that traffic in one direction can be balanced by an equal volume of traffic in the reverse direction and some empty running of wagons may be unavoidable. But any load, however 'unremunerative' should be welcome to the Railways as it would make some contribution at any rate to the overhead charges. This position does not appear to have been appreciated and there is in fact very little exploitation of such easy sources of revenue This defect must be eradicated.

Q: 18. It is rather unfortunate that the whole trend of the investigation should be directed towards exploring avenues for additional revenue. This, in itself, is not to be condemned, but it is certainly most undesirable that any additional fee should be thought of for what after all must be expected as a normal service from the Railway. It is true that elsewhere in the world for specific services an additional, nominal fee is leviable. It is believed that such a service-ExpressDelivery Service, Red Arrow Service, Blue Spot Service etc.,—was in force on Railways prior to the Second World War; but since fairly large-sized packages can be booked as parcels, which are supposed to reach their destinations pretty expeditiously, there is no reason why an Express Goods service for *smalls* should be introduced, For traffic in wagon-loads it is to the advantage of the Railways to deliver the goods as quickly as possible and thereby obtain a speedier release of wagons.

The railways can, however, experiment with an Express Goods Service on nominated days for certain large stations. In cases where the load does not justify through running from start to destination, the levy of a small fee may be considered, it would in this regard be preferable if, when introducing such a service, the Railways also decide, in consultation with commercial interests, the exact conditions under which and the extent to which such a fee may be levied. We feel sure that trade will welcome this kind of service as this facility would cut down warehousing costs and also release finance, since merchants, sure of deliveries, need not carry large stocks in their godowns.

Q: 19. The Railways in India are very backward in providing ancillary services and no attempt appears to have been made in the past to exploit such sources of legitimate revenue. The supply of cranes is a normal feature and it should not be difficult for railways to locate mobile cranes at certain selected spots, so that, whenever heavy consignments need to be loaded, or unloaded a railway crane is available within a reasonable distance.

The charges till now levied for supply of cranes are not perhaps exorbitant. A good deal of expenditure is involved in providing such services and it may not always be possible for the Railways to offer these services at very cheap rates. What the Railways must, however, bear in mind is that there should be no element of profit in the charges fixed for these services. Instead, they should be so fixed as just to cover the costs of the services.

More frequent use of the cranes for loading and unloading of the wagons will also ultimately benefit the Railways by way of speedier movement and economic utilisation of the wagons and as such this may turn out to be blessing in disguise, more particularly at the transhipment points,

Q: 20. The conditions under which livestock is now carried on the Railways appear to be far from humane. If it is feared that a reduction in the number of animals loaded per wagon would make this traffic unremunerative to the Railways, then we suggest that this is a fit case where the economic aspect should be ignored and, as a social service, the traffic carried at a loss. It must be remembered that Indian Railways are in a monopolistic position and may well gain on the swings what they lose on the round-abouts.

Q: 21. To every user of rail transport the statement that the overall charge for short distance traffic is generally unremunerative, must come as a shock. Short distance traffic is costly, but it is far from truth to suggest that it is, on that account, unremunerative. Actually our complaint is exactly, the opposite, *viz.* that even with the introduction of the telescopic system of charges, the arrangement of the legs and the variation in the scale, together with the specific additional imposts, are so unsystematic as to impose an undesirable and unbearable burden on short distance traffic. The truth of this complaint would have been easily upheld if motor transport were not strangled by an unimaginative licensing and heavy taxation policy. Despite the obstacles, despite the fact that petrol is being taxed so heavily and that vehicle fees are so burdensome, lorries are yet able to compete most effectively with Railways, particularly in the zone of 150 or even 200 miles wherever well developed roads exist, but in the absence of well developed roads the traffic has to move by Railways only.

In the circumstances, it would be making a virtue of necessity to recommend the surrender by the Railways of this short distance traffic. Whether the Railways like it or not, this traffic is bound to be lost to road transport, as soon as our National Highways and Roads are developed and the taxation on the road transport is rationalised.

The only way in which the Railways can be safeguarded against this loss is by the introduction of a logical, scientific and systematic rating structure whereby the telescopic basis of charge provides for a fair incidence, even on short distance traffic. Penalising this traffic would be fatal and, as we have pointed out elsewhere in this reply, all the additional burdens that now apply to this short distance traffic, should be reviewed from the point of view of the burden that the traffic can be legitimately called upon to bear.

The question of competition with the shipping services has to be viewed not so much from the narrow angle of advantages and disadvantages to the Railways as from the much wider aspect of the larger interests of the country. It is indeed tragic that there should be an ideological conflict in addition to the normal competition between rival forms of transport. If both Railways and Shipping were run by the private sector, the conflict would resolve itself by the choice of the

people. He who serves best would receive the patronage of Trade and Industry.

No doubt a certain amount of traffic, which is now being carried by the Railways, could be easily left to the shipping services. This can only happen when the same economic and competitive rates are offered by the shipping services. At a time when there is an all-round shortage of means of transport including the shortage of shipping space, it is purely of an academical character to discuss as to how to move goods traffic and also whether such traffic which could be carried by steamers yields a fair return to the railways. It would be folly to restrict or reserve any such traffic for any particular system of transport. It may be taken as a discriminatory treatment to the industry situated in the interior. There is sufficient scope in the country for the development of all these systems of transport on sound lines and we should, therefore, try other remedies rather than penalise the industry or trade which happens to be situated on the coast. The Committee too must seriously analyse the position. Shipping was at one time considered a cheaper means of transport and it is just the opposite case to-day. It is high time to find out the main causes of the economic maladjustment that has brought about this position. Remedies should be found elsewhere than in imposing additional burdens on industry which may spell catastrophe not only to the shipping industry but to the country's national economy as a whole. The relative cheapness of rail transport over coastal shipping needs immediate investigation and Government would do well to give this matter their most serious consideration. It must be emphasised that the question is one on which the whole shipping industry's future depends. Primarily, it is the detention and the delays at the ports which have increased the cost of operation in shipping and it is this that needs to be remedied, instead of putting additional burden on the industry and penalising it.

Industry is seriously alarmed at the reported demand on the part of the shipping interests for the reservation to them of the coal traffic and other bulk traffic now carried by rail, particularly for the coastal areas, or for an increase in the Railway freight on coal and other commodities to the level of the shipping charges. With all the emphasis at our command, we would strongly urge that the Committee should not recommend any such measure, which will have the most adverse repercussions on our industry and trade. For until and unless the shipping lines are in a position to provide equally cheap transport for the movement of the basic needs of industry, no such action should be taken. Otherwise the industries on the coast will be most unjustly discriminated against those situated in inland centres who will continue to obtain their supplies at a lesser cost by rail.

We would, therefore, earnestly request the Committee to examine this vital problem a little more dispassionately and give such considerations a very serious thought before recommending any such retrograde measure which may turn out to be detrimental and discriminatory to the interests of the industries situated on the coast.

There have been also certain allegations made against the Railways that the railway freight on goods for Port destinations are lower than those in the interior. This is sometimes treated as undue competition and as a legacy coming from the pre-independence days. We believe there is no such thing prevailing to-day and even if it is so, then certainly this is more with the object of assisting the export and import of cargoes, which are also ultimately offered to the shipping and thereby prove a helpful factor than an obstruction to the shipping services.

Q: 22. The incidence of transport charges by rail, by road and river is a question of fact, not of opinion and little purpose will, in our view be served by collecting such data (which should in any way be readily available to Government) under the conditions now obtaining in this country in relation to road and river transports.

If this question is intended to find out whether any reduction in the burden on short distance traffic by rail is called for, on the ground that it is higher than the burden imposed by road or river transport, then the issue is entirely different and is already covered by our reply to the previous question.

Under a developed and scientific arrangement, there will and ought to be greater co-ordination between all the alternative modes of transport and one or the other will be resorted to on the basis of the timely, adequate and cheap transport facilities it can provide. In India at the present moment, with the monopolistic position of railways (who provide the overwhelmingly larger part of our transport facilities), the lack of effective road competition and the underdeveloped nature of inland water transport, we are far from such a natural position, where there can be any comparison between various means of transport which may need an allocation of zones for each form of transport. In the conditions now prevailing in this count when all these different modes of transport are not in a position to offer competitive rates and are not yet fully developed, any arbitrary decision to divert traffic from one to the other or to restrict the scope of any particular system of transport will prove ruinous to the trade and industry which will ultimately reflect on the transport services as well.

Co-ordination there should undoubtedly be instead of unnecessary competition, but our point is that this should come about in a natural way on the basis of the capacity of the different systems to offer sufficient and economic transport facilities instead of by any arbitrary decision unrelated to the realities of the situation.

As things now stand, the movements of heavy, bulky raw materials for industry, which form the larger part of short distance traffic must continue to be catered for by the Railways at as low a cost as possible.

Q: 23, 24 & 25. Indian Railways cannot escape the charge that they have never been enterprising, that they have not ventured to explore avenues of gain and that they have not provided many of the services which are rendered to the public by Railways in other countries. To give one example, warehousing is not considered

as a legitimate activity of the railways in India although it is very closely connected with the business of transportation. A warehouse to a railway is like a station; though not essential it is a very important adjunct of transport.

When such allied activities are considered to be outside the scope of railways, we see little reason why the latter should think of a system of freight pool. It is rather a complex question, which, while it may be easy in highly developed and organised countries of a limited size, would be surrounded by many practical difficulties in a somewhat less organised country particularly of the size of India.

For the present, therefore, we are not in favour of the Railways venturing upon any such new field, as this is a very complicated and complex averaging system. We would rather recommend that they should devote their energies to the provision of ancillary services for which there is great need.

Q: 26. It is new generally accepted as a sound Railway practice throughout the world that railways fulfil their roll adequately not so much by producing a surplus on their operation at the end of each year as by fostering the social, economic and cultural aims of the country as no other transport agency can do. From this it follows that not infrequently Railways may have to accord a higher priority to social considerations, to the exclusion of the profit motive.

This is particularly so where the Railways are nationalised and where, thereby, they become potent instruments of progress In this roll Railways should be obliged to assist the development of the country by the quotation of developmental rates, by the grant of concessions and, on occasions, even by the carriage of commodities at less than the actual cost of transport.

Where the whole economy of the country is geared to the achievements of certain targets under an economic plan, the Railways have to make sacrifices, no less than any other agency; and as such, even if the Railways do show some deficits in their budgets during this period of economic travail, provided they can really assist the industrial development in the country, no criticism could be levelled. In other words, this is a matter which must be approached by the Railways with future outlook for the purpose of industrial revolution in the country, laying aside their narrow, conventional approach, if they are to make that contribution to the success of our plans that the country has the right to expect from them.

Q: 27. This question gives the impression that under the instructions issued by the Railway Board in this behalf it is open to customers to avail themselves of the benefit of having the short distance charge reduced or even totally withdrawn in deserving cases. This is misleading as in practice little benefit has resulted and our whole trouble has been in regard to the interpretation of the words 'wherever justifiable'. Railways are the sole judge of what is or is not commercially justifiable and there can be no proof of how exactly any particular request is not justifiable. More often than not Railways do not even assign any reasons for their decisions. Under these circumstances it is not surprising that the public has not been able to obtain relief to the extent that may have been contemplated by the Railway Board.

We understand that a Cement Factory applied for the waival of the short distance charge on large scale movements of limestone from Kailaras and Semai to Banmourgaon on the Central Railway. The application was rejected by the Railway without giving any reason for the decision and an appeal which was made to the Railway Board, we learn, proved equally fruitless.

There is also the abhorrent doctrine that, if traffic is moving, the existing rates can be regarded as reasonable. We understand that the Railway Rates Tribunal has endorsed our view in regard to the erroneous nature of this argument. All that we need point out is that where Railways are, in effect, the only carriers of goods and where there is no alternative means of transport, the mere fact that goods move by rail can never be a justification for maintaining their claim that the rates are fair and reasonable.

As we have explained in another part of this reply, the short distance charge is now an anachronism and its continuance can only make a mockery of the claim that the freight rates in India are based on a telescopic system, which automatically penalises the traffic of short-distance nature by application of higher rates on the first leg.

Further there are also instances that the Railways were giving 20% reduction in the basic rates of the commodity for the bulk movement of the traffic but when the short distance charges were waived on the representation of the industry they very cleverly also waived the reduction of 20% in the basic rates, thereby more or less nullifying the effect of waiving the short distance charge.

This is an example which typifies the usual attitude of the Railways. It is at once a reflection on the uncommercial tactics used by administrations, as well as a betrayal of business ethics. The 20% reduction in the transportation charges is the maximum that could be effected and this concession was granted on a full, detailed study of the case. It entirely ignored the short distance charge and the terminals which were unassailable, being outside the orbit of reduction. Yet when orders came from the Board that short distance charges should be abolished, as they bore heavily on traffic, what was done was to abolish the short distance charge and at the same time to withdraw the concession. This action calls for severe condemnation.

Q: 28. Even under the most scientific rating structure, requests for special or station-to-station rates will never be entirely eliminated and the fact that since 1947 there have been many a persistent demand for the introduction of such rates should be regarded as a clear indication of the fact that the rating structure of Indian Railways is not suited to the needs of trade and industry of the country.

While it is not impossible that there may be some cases where a request is made on frivolous grounds, the very large part (almost 99%) of the cases are based on a genuine feeling that the rates are out of

alignment with the present economic conditions. The sense of frustration at the refusal of the Railways to realise this position is indeed great.

As an instance of a request for reduced rates turned down by the Railways we would mention (from the information available to us), the case of gypsum, a raw material necessary in the manufacture of cement, for which a reduced freight was sought from Badwasi to Sevalia, Lakheri, Banmore, Jukehi, Khalari and Jhinkpani on the same basis as the reduced rate quoted to the Fertiliser Factory from Mansar to Sindri. The request was refused by the Railways on the plea that there was no justification to reduce the rates.

Unfortunately, it is not possible to escape the conclusion that the concession to the Sindri Factory was given because it belonged to the Public Sector. This is an entirely dangerous principle to adopt. It is true that fertilisers are not in competition with cement. But the fact that the commodity is one and the same, having all the physical and chemical characteristics identical and moved by the same Railways as raw material for the industry. does not justify the denial of the same concession to the industry in the Private Sector, when this is extended to the industry in the Public Sector. Moreover, we should not forget the fact that the traffic of Gypsum for the Fertiliser Industry is more or less one way, major portion of the wagons returning empty, whereas the traffic moved to the cement industry offers both way traffic without any exception.

Q: 29. The introduction of a freight structure, based on the principle of telescopic rates on a continuous mileage basis, should normally have been hailed as a landmark on Indian Railways. In practice, however, we cannot boast of having a scientific system since, due to the unscientific pattern of the telescopic charges, little advantage has accrued to the country. In fact there is a suspicion that the telescopic charges have been so fixed as to give to the Railways a little higher return than they were obtaining in the past, thereby nullifying at one stroke whatever benefit a rationalised system of charges might have conferred on the community.

It is true that a slight increase in rates might have been unavoidable, if the Railways were to receive the same revenue as before, taking into account the lower return on the longer distances. But the increase actually effected was not insignificant; on the pretext that costs were mounting up and that industry was prospering, an enhancement was effected on all traffic, thus putting a severe check on the economic progress of the country. The fact that traffic has not been killed and that it has, on the other hand, actually increased does not in any way alter our analysis, as it is undeniable that, but for the restrictive influence of Indian Railways, economic development in the country would have made a spectacular showing.

We should like here to explain that the adverse effect referred to by us is not due to the principle of telescopic charges but only due to the incorrectness of the class rates and wagon-load scales and the inappropriateness of the different legs devised by the Ministry of Railways. Due to these defects the benefit of telescoping is largely denied to the trading public.

Q: 30. No rating system can be so exact and scientific as to obviate the need for special or station-to-station rates. Also, the appearance of station-to-station rates in the tariffs of Railways need not be taken as any indication of the unscientific nature of the rating system. Rather, it should be regarded as a sign of the awareness of the Railways of the changing needs of the country and of their willingness to take their legitimate share in the development of the country.

These considerations apply with particular emphasis in relation to new industries and to export trade. In the past we believe it has been held that the furtherance of international trade should be the responsibility not of the Railways but of the Tariff Board or some other Government agency. But then a nationalised system of transport which, in our view, can be used for all nation-building purposes, cannot escape this responsibility. If the furtherance of export trade is found to be vital to national interests, then the Railways must be ready to assist in this matter with all appropriate steps. While it may not be an attractive feature to quote lower rates on export traffic than on internal movements, it would be permissible for the Railways to quote rates to the Ports that would be lower than those for internal centres, if the reduction in rates could be justified not merely by the need to foster export trade but also by the characteristics of transport.

Q: 33. While there is merit in the suggestion that newly planned industries should receive sympathetic consideration from the Railways, care should first be taken to determine whether such ventures are essential from the point of view of the basic needs of the country. In considering the claims of such industries for special assistance, the Railways can usefully follow the formula adopted by the Tariff Board for the purpose of affording protection to industries. This formula not only arranges for the extent of protection to be carefully considered but also ensures that the duration of such special assistance is related to the capacity of the industry to stand on its own legs.

The principles on which assistance can be given to the development of economically backward areas are bound to be different from those that govern the Tariff Board's approach, as the development of backward areas is not so much an economic process as a social remedy. Where a decision is taken at a high level, it would be permissible for Railways to assist the development by the grant of suitable concessions. A nationalised transport undertaking has to assist not only in economic development but also in social and cultural betterment. Just as season ticket fares in large cities are not always based on strictly economic considerations but are related to the social needs of a fast-growing industrial population, so also it is legitimate for railways to foster the development of backward areas by various means at their command. This whole matter has now received added significance by the plan for decentralisation of industries and the development of the different regions.

It is necessary, if this objective is to be achieved, that basic materials, such as coal,

must be made available at a sufficiently lowi cost to the regions that are yet to be developed, so that the industries proposed to be set up there may be enabled to compete, on an equal footing, with the earlier-developed regions as also with those that may happen to be more favourably located in the neighbourhood of the coal fields.

Q: 34. This matter is not as simple, as at first sight, it may appear to be. Logically, a different basis of charge may be justified, as a temporary expedient, if a line is expected to be unremunerative for sometime due to high costs of construction arising not out of permanent economic conditions but out of a temporary and artificially inflated level of prices. We believe that a similar situation prevailed in the early days of Railway construction in India, especially on the hill sections.

On principle, however, it is wholly objectionable that an inflated mileage should be taken for charge on the ground that such higher levy is justified by unusually heavy costs of construction. For, on the same grounds, a lower charge would become necessary in the case of lines built a century ago and on which full depreciation would have been recovered by now.

Another objectionable feature of any such proposal is that it will render meaningless the concept of average cost of transport. There is an 'average', not only because commodities of various nature are carried at different charges, but there is also the average that comes from operating railways in different regions, some near the coal-fields with lower costs, some in hill tracks with higher costs, etc.

A proposal of this kind would also imply that the Railways are in a position to arrive at the costs of transportation over each sector of the Railway. This is far from the truth and we do not think any Cost Accountant has ever succeeded in evolving a formula for arriving at special costs on a railway. There is accordingly little validity in the view that additional costs of construction justify additional levies. The Railways cover their costs, as a whole. Their expenses too cannot be allocated; at best, there is an average, which also must remain largely fictitious.

One other aspect of the matter that we would like to comment upon is this. There may be cases where lines which initially are expected to prove unremunerative may, when constructed and in use, actually turn out to be really remunerative. This may be due to the fact the officials entrusted with the Planning of the new routes may be overcautious in regard to the expenses and conservative in relation to expected earnings. While this attitude may have much to commend it under normal circumstances, it would be most inequitable if, based on the results of such estimates, an inflated mileage is to be levied. In such cases, therefore, instead of resorting to an inflated mileage straightaway it may be prudent to wait for a few years and see how exactly the new lines turn out to be in actual practice.

There may, again, be instances where new lines, despite their apparent initial unremunerativeness, may be justified on other grounds—administrative convenience, opening-up of undeveloped areas, welfare of the public and the strategic importance of the area from the defence point of view.

Q: 35. The ideal of freight policy in a democratic nation, should be the provision, by Railways, of an adequate and efficient system of transport with the minimum cost to the community. While this is the ultimate objective, there are other desirable ends, such as facilitating the economic and industrial development of the country.

The Railways are not to be considered as a purely commercial organisation wherein profit-making motive is considered predominant. Railways are to be utilised as instruments of national progress, to assist in the industrial and economic development of the country.

To achieve this objective, the freight rate policy should be so adjusted as to encourage and assist nascent industries by requisite freight reductions, and other transport facilities for the movement of the essential raw materials and fuel and the distribution of the finished products.

While discharging the supreme responsibility of assisting the industrial and economic progress of the nation, the Railways should all the same, continue to be a solvent undertaking. There can be no two opinions as to the fact that the freight policy should be formulated to secure adequate revenue to the Railways to meet maintenance and operational costs. But the present freight structure has been designed not only to cover normal revenue expenditure—maintenance and operational costs, but also to leave an adequate surplus after providing for contributions to Railway Development Fund, Plant Rehabilitation Fund or Depreciation Reserve Fund, Revenue Reserve Fund, Capital or Debenture Redemption Reserve Fund and also the dividend to General Revenues being contribution to the General Exchequer, etc. (Re. Railway Budget 1955-56).

These contributions have their component elements, in the freight rates. The Railway Development Fund is intended to finance the future development or expansion programme of the Railways and hence it constitutes a provision for future capital expenditure. Any contribution to the Railway Development Fund, out of Current Revenues, would be tantamount to burdening the revenue and hence indirectly the Freight Rates, with a component of the Capital Expenditure. Similarly any contribution made out of revenue to the capital or Debenture Redemption Sinking Fund, has the indirect effect of burdening the freight rate with a component of Capital Expenditure. Further, surplus contribution to the Central Exchequer after giving 4% yield on the capital invested, would also have the indirect effect of increasing the burden on the freight rate. Therefore, in formulating the future freight rate policy, the burden of these contributions should not be allowed to unduly bolster up the freight rates.

It can never be considered as a sound policy of Railway finance more particularly when it is a National undertaking, to show such a surplus at the end of each year, over and above the other provisions made in the Railway Budget as described above.

All expenditure of a Capital nature required for expansion programmes, such as the construction of new railway lines increase of line capacity and provision of additional rolling stock or capital equipment should be met entirely and exclusively from outside borrowings. No part of such capital expenditure should have incidence, directly or indirectly on the freight structure.

All round efforts are to be made to reach targets laid down under the Second Five Year Plan, particularly for industries. The future generations who will reap rich harvests from the planned development should be made to bear their share of the sacrifice. This can only be done by equitable distribution of burden particularly by a judicious and phased programme of public borrowing and expenditure spread over a longer period to prevent undue hardship at this critical juncture.

The public borrowings can take the form of issue of long term Bonds and Debentures or loan duly guaranteed by the Government raised in the country or outside the country, bearing a slightly higher rate of interest yield than that on Securities issued by Central and State Governments and Local Bodies such as Municipalities, Port Trusts, etc. The interests on such borrowings may form a legitimate charge to revenue and should be recovered through freights and fares. The capital amount of such borrowings can be paid on maturity (say after 30 years) out of future reserves built up from enhanced revenues accruing from increased flow of traffic, when the expanded development takes concrete shape and comes into operation to full capacity during the Plan period or a little thereafter. A Capital Redemption Sinking Fund to provide for the redemption of the capital sums borrowed need not be built up, until such time that enhanced revenues flow from increased traffic arising from the fullest utilisation of the expanded capacity of transport.

Further all expenditure of a revenue nature such as maintenance and operation costs on new lines constructed and new equipments acquired have to met from the additional revenue that will necessarily accrue from the increased volume of traffic during the Plan period and thereafter from the enhanced capacity of the expanded organisation.

These cannot and should not be allowed to bolster up the freight rates and the fares, under the bogey of increased operational costs.

Q: 36. This is a question of high policy and should be most urgently dealt with by the Ministry of Railways in consultation with the Ministry of Finance. The accepted commercial principles of operation require that the railway should be a solvent undertaking even under a nationalised system. It should be able to meet all the working expenses, pay interest on the capital charges, provide for adequate depreciation and also set aside certain sums of money for amortisation and for future development. However, in the present climate and tempo of commercial and industrial development, the planning for high targets necessarily calls for sacrifice by the people in all sectors. It would be permissible for the railways to incur temporary losses not out of inefficiency but out of deliberate policy of assisting to developing nascent industries or to meet certain expenditure on borrowing. This policy would be in the nature of a mortgage on the future generations who will surely enjoy the economic benefits that will be the resultant of present sacrifices.

Q: 37. If it is the decision of the country that village and cottage industries should be developed in order to provide greater employment to youth of the country and to avoid the evils attendant on the concentration of large-scale industries in urban areas, then the railways have certainly a duty to make it possible for Government to implement such a policy.

There are various ways in which the railways can assist in this matter and they are already doing so in certain respects, as with the reduced freight rate now allowed for handloom goods, both by goods and passenger trains.

There can be no difficulty in extending such a system so that handloom products and village handicrafts can be carried at rates lower than the usual tariff rate. Again, raw materials could also be afforded some concession in freight, on a certificate from the Village Khadi, Handloom or Handicrafts Board.

It should not be impossible to devise a freight system which can give encouragement to the development of village crafts and cottage industries. Of course it means discrimination and might even bring Railways within the purview of Section 28 of the Indian Railways Act, which enjoins upon the Railways the duty not to make or give any undue or uneconomic preference or advantage to any particular description of traffic in any respect whatsoever. But then it will be upto Government to prove before the Railway Rates Tribunal, should the occasion for it arise, that the discrimination is not undue or uneconomic.

Moreover, when the small-scale and cottage industries are directly being subsidised by the Central and State Governments there is hardly any justification to show too much discrimination from the transport point of view. The main object should be allround cheap transport facilities in industry in general.

Q: 38. It is somewhat difficult to answer this question. It is generally understood that if Government acts in accordance with ordinary commercial principles, as it generally must do, it must fix the ceiling prices for commodities after taking into account the freight charges that are payable in their distribution to various parts of the country. The freight charge would naturally represent the average expenses incurred in a countrywide distribution.

But it has been found that the controlled prices fixed for a particular commodity are based on various factors taken into account including the transport charges both for the raw material and finished products like steel, cement and power supply rates. Suddenly the Railway Minister decides to increase the basis of freight on certain commodities, which directly affects the cost of production in such basic industries as stated. Now it becomes a difficult task for these industries whose prices are controlled by the Government to get the necessary

revision in the prices which takes much longer time and sometimes increase in one is offset by reduction in other charges due to efficiency or increase in production and industry and many times industries stand to lose in getting the price revision being a very complicated process to undergo to the satisfaction of those statutory bodies like the Tariff Commission. It has been the experience of the industry that all the efforts made to effect reduction in the cost of production by various measures adopted are more than offset by such measures taken by the Railways and thus the initiative or incentixe to develop is killed or damned.

Q: 39. There is only one commodity which could perhaps be suspected of being carried at less than cost, namely, coal. Recently on account of the hightened competition between rail and shipping interests, and because of the shortage of wagons and of the doldrums in which shipping finds itself, suggestions have appeared in the Press that the transport of coal is unremunerative to the Railways and that, therefore, it should be either reserved largely for the shipping particularly on coastal areas or rates brought up on level with the shipping freight. While there is no doubt that the scale of charges for coal is moderately low, we are strongly of the view that tinkering with the scale of charges for coal is definitely an evil to be avoided. It should also be kept in mind that it is a sound principle of rating that certain low-priced commodities, which are used in almost every industry, should be carried at as low a rate as possible. Railways are required to carry various commodities at varying charges, and it would be fatal to the economy of the whole Railway system to draw up a balance-sheet of profit and loss for any one commodity.

We should like here to deal with the basic error in the argument that of comparison with the average cost of hauling general merchandise put forward by the Railways in support of a rise in coal freight. The actual fact is that 'average cost' is a mere statistical figure and it cannot stand the test of scrutiny. The most fundamental objection to the argument, however, is that it cuts right across the whole basis of the classification of goods. It is an undeniable fact that Railway rates are not based on average costs but on the differential system of charging — the more valuable the commodity, the greater its ability to bear a higher freight rate. If the average cost concept is to be applied to heavy, bulky, raw materials of industries, then the whole justification for a differential system of charging disappears at one stroke. In that case, cotton and cloth would be charged the same rate as coal, biscuits, cycles and motor-cars, or any other item of luxury, and in fact the same rate as for manganese ore! One can readily see how misleading the whole argument is. It is therefore essential that railway freight rates should, and rightly, bear a relation only to the value of the commodities carried instead of to any abstract conception of average cost which is nothing but a misnomer and misleading data prepared to make out a case to increase the coal freight and justify the same.

Q: 40. When raw materials are subjected to manufacturing process, finished goods call for transportation along normal channels of distribution. Hence it is absurd to suggest that during the Plan period only low rated traffic will move and that the industrial units take five years to complete the manufacture.

To quote one instance, the textile industry has already received fillip by the increased purchasing power of the masses at the end of the First Five Year Plan. This is reflected in the upward trend in the cloth prices, low stocks with mills, and the rise of stock-exchange quotations for textile scrips. There is definitely increased demand for transportation of textiles piece-goods, machinery and machine tools. There will very soon be enormous demand for transportation of a wide range of industrial products, paper, hessian, jute products, tea, oil and petroleum products, radios, electrical goods, all of which are high rated goods for railway transport. All these will contribute handsomely to the railway revenues. In the differential system of charging they are not fully reflected in the freight rates for low-rated commodities.

If, however, in the initial stages the loss arising from larger volume of low-rated traffic is not balanced by a corresponding volume of high rated traffic in the form of finished products, there may be a temporary deficit. Even a series of such deficits in the first few years need not cause anxiety. Such deficits are no index of unhealthy or unsound railway finance. Such accumulated deficits if any, can definitely be wiped out very soon from the enhanced revenues likely to flow from the high rated traffic of industrial products resulting from the manufacture of the raw materials which had previously constituted the low rated traffic.

Q: 41. Considering the extent and frequency of fluctuation in the competitive conditions in export markets we doubt if it will be practicable to adjust our freight rates in exact accordance with them. The draw-back of such a position will be that it will be next to impossible for a trader to see into the future with any degree of certainty so far as freight rates are concerned. From this point of view also, we feel that it would be better to have stable freight rates and if possible only relief may be given at times of such international crisis or national emergencies when the situation created in the international market causes a great setback in marketing our commodities in competition with the other countries. Such measures, of course, should be adopted only when serious crisis prevails and demands a radical remedy or relief to earn valuable foreign exchange for our country or if we are completety ousted by the measures adopted in other countries on Government level.

Q: 42. With the attainment of independence and the finalisation of the first Five Year Plan, there has been a surge of industrial and commercial activity which is adequately reflected in the increased earnings of the Railways in the last three years. As, however, raw materials must first move before finished products can be marketed, the earnings have not swelled commensurately with the traffic. This is only a temporary phase and the balance must soon right itself. Again, a long range of commodities has been placed on the prohibited list for imports and so there is bound to be a

change in both the quantum and type of traffic moving from the ports to the interior. At the same time, since industrialisation is proceeding apace, there must be an appreciable dimunition in the movement of raw products previously being sent abroad for manufacture.

With the increasing tempo of industrialisation and with the development of new areas by the establishment of steel plants, machine tool factories, fertiliser factories, cement factories, etc., the pattern and the volume of traffic movement is bound to change and the position will achieve a certain measure of stability only when the fury of the present economic and social activity has spent itself.

Q: 43. We cannot help the feeling that railway freight rates in India have hardly been instrumental in determining the location and development of industry; if anything, they have been an hindrance. In fact the whole justification of the demand for a revision of the freight structure stems from this complaint that the rating structure is inflexible, irrational and unrealistic, and is entirely unrelated to the needs of trade and industry.

The growth of Bombay, which does not grow cotton, as a textile manufacturing centre and, on the other side, the picture of New Delhi marred and scarred by ugly chimneys and factories—these must be regarded as instances of railway-blindness to the overall interests of the country. Strictly from the economic point of view there is a serious handicap involved in the location of textile mills in Bombay, away from the cotton growing areas, but once the development has taken place we should see that railways do their duty by faithfully serving the cause of the industries already established.

There is no doubt that decentralisation of the industries is a very desirable object to be achieved on social and economic considerations which require the dispersal of industry, the growth of healthy towns and dormitory areas, the preservation of cultural values and the protection of workers from overcrowding and all these are objectives which a nationalised railway system can well foster by a judicious and wide visioned freight policy.

A doctrinaire approach to the question of rating is fatal, as it kills enterprise. A good Rates Officer must be a man of vision. must be able to feel the pulse of industry and must be responsive to the changing economic winds. Above all, he must be willing to experiment, as rating proceeds onwards by a process of trial and error.

Q: 45 & 47. It is believed in certain quarters that perhaps agricultural development in India is being hampered by the heavy incidence of Railway freight cases. Possibly this may not be a correct position though there may, undoubtedly, be a case where some encouragement could be given by the railways by a sympathetic consideration of requests for concessional freight rates for fodder, crops, agricultural implements or manure. We are inclined to believe that much more can be achieved by way of developing our agricultural economy on the basis of proper knowledge of a scientific rotation of crops, the use of modern methods, the use of manure and chemical fertiliser and by proper organisation of marketing centres, as has been indicated by the numerous commissions and committees which have examined this question in the past.

As far as we can see, our agriculturists do not appear to have proper banking facilities as well as road transport to market their crops, nor do they have any severe world competition for the next few years at any rate. So far as cotton, jute and certain kinds of cash crops like oilseeds, we believe that India's present strong position is not likely to be shaken and that the future for our commercial crops is distinctly bright. Still Railways can play their due role by granting proper facilities of warehouses, quick transport facilities to the consuming centres and more so by creating large-scale bulk transport in loose to keep the overall charges as low as possible.

Q: 31, 32, 54 & 55. A sound railway freight structure should be simple and easy to understand and to apply, non-discriminatory in character and lastly flexible, lending itself to ready adjustment which altered circumstances demand it. It should be such as to encourage the growth of the national economy and national well-being and promote the cause of national and international trade as national interests require with the overall object of raising the general standard of living of the people in the country.

At present railways constitute the overwhelmingly major part of the transport facilities available in the country and in the absence of a well developed road transport (which as it is, is heavily being taxed both by the Union and State Governments) and complete absence of inland waterways the responsibility of the railways to provide adequate and cheap transport in the country, is all the greater. We presume that the railways do not want to take undue advantage of their monopolistic position in this respect and exploit the situation to the ultimate detriment of the country's larger interests. We accordingly suggest that the railways should be made to abide by the same conditions in respect of their earnings as are applied to other public utility concerns in the country such as gas and electric supply companies. It is also well to remember in this context that in other countries where there are company railways they not only have to face stiff competition (from which our railways are free) but have also to work under the vigilant eye of the Government which serves to prevent the possibility of any undue exploitation of their customers by the railways.

The railways must give up the idea of looking at the question of freight rates solely from the point of view of the revenue they will bring in. While financial considerations should undoubtedly have some validity, they alone should not colour the railways' attitude in framing the freight rates structure. There are other equally, and under certain conditions, even more important factors to be taken into consideration, the strategic needs of the country, movements of essential supplies, the steady industrial development in the country, carriage of foodstuffs at concessional rates in times of famine, priority for the movement of troops in times of war etc. If we are to accept the important role the Railways have to assist

the industrial development of the country, then it is obvious that there ought to be cases where the railways have to provide cheap transport facilities with meagre profit or possibly even at a loss. It is here of interest to find that in most of the other advanced and well developed countries in the world the railways there are barely able to pay their way since unlike our railways who seem to have their eyes only on their earnings, they prefer to give greater priority to serving the cause of the country's trade and industry. This aspect of the matter acquires greater significance in our country at the present moment in view of the emphasis now being placed on rapid industrialisation and the planned all round development of the country's resources to provide full employment to our teeming millions. At present our whole aim should be on how best and how soon we can develop a broadbased industrial structure in India and as the railways have a vital role to play in this matter they should view and maintain their freight rate structure only from this point of view.

Even when the stability of the railway finances has to be looked after, this consideration should not be the main criterion in fixing the freight rate for each and every commodity; rather it should be the object behind the system of railway freight rates as a whole.

Again the railway should clearly distinguish between the short and long term results of their freight policy. A lower freight rate, for instance, on industrial raw materials may greatly serve to stimulate large scale development of various industries and even though apparently the railways may seem to lose on such basic and essential commodities in the long run their loss on this account may be more than made up by the subsequent earnings on the larger volume of traffic of finished products created by the development of such industries. The primary aim of the railways in formulating their freight rates should therefore be to provide such basic and elementary facilities at as low a cost as possible, for the transport of industrial raw materials and coal for industries, as would enable the latter to keep down their costs and build up a firm foundation on which they can expand and prosper, with automatic increase in the volume of return traffic for the railways in the shape of finished goods. In brief, the question of the railway freight rate structure must be regarded not as an end in itself but as a means—and an important one at that—to an end—the end being the speedy all-round development of the country to the lasting benefit of the entire nation.

In the case of a basic item like coal it is well known that any rise in freight rate increases the ultimate prices for the consumer not only *pari passu*, but with multiple effect. Moreover any higher rate on coal affects not only a commodity here and there but almost the whole industrial component of the general price structure, since coal is used in almost every factory. It is accordingly urged that the Railway Board should be more than ordinarily careful in dealing with such delicate questions which vitally affect the interests of industries throughout the country.

One other point that we would like to touch upon as part of these general observations is a study of the possibility of freeing the Commercial Department from the octopus of financial control. There is no doubt whatsoever that since the discretion of the Rates Officers is subject to question by Accounts, there is a natural hesitation in experimenting with the grant of concessional rates. Railways are recognised as commercial undertakings and like all such concerns, they should be willing to take fair risks. We have no grievance against the Accounts Officer as such, but at the same time we cannot shut our eyes to the fact that by the very nature of his job, he is an unenterprising person who is guided by his rules, by his codes and his practice. He is naturally incapable of appreciating the question of risk taking which properly belongs to tha Commercial side. We would, therefore, urge that serious attention be bestowed on this aspect of the matter as our trade and industry are almost wholly dependent on the railways for adequate, efficient and a reasonably cheap transport service.

There can be no argument about the fact that the role of the railways cannot be limited merely to the provision of adequate and efficient transporation. It is equally within their purview to aid infant trades and industries temporarily in the same manner as a protective tariff is built up for fostering the development of the industry within the country.

From the rather bitter experience of the past, we feel it essential to stress that much greater study of requests for concessions in freight must be ensured so that a rejection is not made on flimsy grounds. This means not only that requests for such concessions should be viewed in the light of the ultimate benefits which will result but also that the rating system should be flexible so as tc differentiate between nascent and esta blished industries, between basic industries and others, etc. The rating structure must provide for the railways to take certain risks (even as an industrialist does in starting a new venture), when new industries, particularly those which are regarded as essential to the nation are started. This may possibly involve a discrimination but this factor can be tested before the Railway Rates Tribunal, so that the justification for rendering such assistance can be firmly established.

The importance of the Railway Rates Tribunal becomes apparent in this context. Hitherto, due to the unfortunate experience with the Railway Rates Advisory Committee, the public have been reluctant to venture upon the cost and sacrifice involved in making an appeal to the Tribunal. In the past, even after a trader was able to win over the Railway Rates Advisory Committee, the Government of India have declined to accept the Committee's recommendations, so that the experience of the past has been really bitter. If the Tribunal is to function as it should, that is, as a Court of Appeal free from bias, with the dice loaded, if anything, against the railways who are the technical experts in this matter, its scope must be widened, so that it may be able to deal with every aspect of railway freight rate policy. No specific charges or no part of the freight policy must be placed outside its jurisdiction, as any such action

would be a retrograde step, seriously detracting from the trust and importance which the public can place in the Tribunal's work. It is also essential, if the Tribunal is to discharge the functions expected of it, that it should have branches at all the important manufacturing centres, instead of being located at only one place as is now the case. At present merely because of the distances and expenses involved, many parties in the North, it is understood, do not file a complaint before the Tribunal and in order to remedy this defect, we suggest, even if it is not practicable to have more than one office of the Tribunal, that it may at least undertake a regular planned tour of all the important centres or at any rate arrange to hear cases at the places where the parties concerned may find it reasonably convenient to be present and argue them. The decisions of the Tribunal must be given the widest possible publicity so that the public may be made aware of the facilities available to them in this matter.

PART-II.

Q: 1. It would hardly be possible to indicate to what extent traffic is consigned at railway risk and in what proportion it is despatched at owner's risk, unless of course some firms have kept details of their bookings at these two rates, as well as statistics of claims of preferred and claims paid, in order to arrive at a decision whether, with the difference in rates, it is better to cover the risk with the railways themselves, or to take an insurance policy with outside firms.

It should not be difficult for the Ministry of Railways to ascertain in respect to five or six selected commodities, such as piece-goods, dyes, paints, machinery, motor cars, grain, sugar, etc., whether the public avail themselves of the *insurance* by railways by sending these goods at Railway Risk Rate. It is feared that, on account of the bitter experience firstly due to the delay in settlement of claims, when admitted, and, secondly, due to the recalcitrance of the railway administrations in admitting liability, Commercial interests many a time prefer to avail themselves of the lower owners' risk rates and to cover the transit hazards by effecting an insurance with a private Insurance Company, Even when booked at RR rates, Railways are known to repudiate claims on the plea of "running train theft". We have several instances of this kind.

This preference of outside Insurance Companies points to another undesirable feature in railway rating, namely, the lack of actuarial harmony between the railway risk rate and the owners' risk rate. Obviously, if the difference in rates approximated to the actual valuation of the risk and further, if the railways were prompt in settling claims, a much larger proportion of traffic would be booked at railway risk rate, thereby bringing in additional revenue to the railways.

So unfortunate has been the experience in regard to claims that railways will have to make a concerted drive and will have to indulge in a country-wide publicity campaign to encourage traders to send their goods at railway risk, even if it can be demonstrated that the additional amount of freight thereby payable would be somewhat lower than the total cost to the shipper by sending goods at owners' risk and insuring them elsewhere.

Q: 2 & 3. These questions could possibly be accurately answered by the Railways themselves by giving all the necessary data and then only comments could be given based on the actual data available on this subject.

It is quite apparent that more insurance is being effected with private companies than with the Railways themselves. This is only another way of saying that where owners' risk rates are available, they are generally availed of by Commercial interests.

The primary reason for this unfortunate state of affairs is due to the fact that the rail way risk rates are considered higher than are justifiable by the actual risk in transit. Moreover, it is important to remember that since the consignment is at the mercy of the railway outside insurance companies are naturally inclined to charge a higher rate than would actually be justified by transit risks, simply because the railway staff load, unload, tranship, and otherwise handle goods in a most careless and indifferent manner. This is an unnecessary handicap to trade and industry, and ultimately the country suffers as a whole.

On the other hand, since the consignment is in the care of the Railways, it should not be difficult for the railway to exercise a fair degree of supervision, so that the risk of damage is considerably minimised. This would have many good effects: Firstly, it would encourage the traders to avail of the railway risk rates, thereby contributing more to the Exchequer; it would enable the railways to reduce their claims; and finally it would be a source of advantage to the country as a whole in so far as the ultimate effect of such a careful supervision will be a reduction in the rates at railway risk.

This is a point which perhaps has not so far been considered by the Railway Ministry. By their own action, by proper supervision, by merciless punishment of misdemeanours on the part of the staff, by elimination of delays in transit, by careful handling of the loading and unloading etc., it should be possible for railway risk rates to be reduced in great measure; and the over-all effect of such reduction would be to attract the trader to despatch his goods at the higher of the two rates.

It is also necessary here to stress that if resort is made to private insurance companies, it is not because of the cheapness of cost, but on account of their adoption of commercial methods which result in promptness in settlement of claims. Merchants would be willing to pay slightly higher rate and to save themselves from the bother of covering a consignment by private insurance, if only the railways were prompt in admitting liability and in settling claims in a responsible period.

Some Railways specialise in finding a way to repudiate claims. If the claims are submitted late, they are not paid on the plea that they are timebarred! It seems this is done on the advice of the Accounts Department.

Q: 4, 5 & 6. There is no doubt, that since 1947 there has been a most shocking

increase in the number of claims preferred against the railways. This unfortunate tendency has been noticed in the press and every now and then the Ministry of Railways have sought to explain the reasons for this almost unprecedented deterioration in the efficiency of Railways.

It is true that after the First World War, a somewhat similar situation had arisen, but there was nothing like the increase in the number and in the amount of claims which railways have been required to face during the past quinquennium.

It is also quite apparent that the explanation for this increase does not meet all the arguments which are directed towards exposing the inefficiency of the railways. An increase in traffic will doubtless give scope for an increase proportionately with the increase in traffic. On this account, heavy compensation payments made by the railways during the past three years have come in for violent criticism, and while during the past two years there seemed to have set in a tendency towards stabilisation at the existing level, there has suddenly been an outburst of claims and it is learnt that on almost all railways, the number of claims preferred by the public has once again gone up to an unprecedented level.

It is believed that Railways maintain statistics to show which traffic is particularly vulnerable and how losses are caused, whether by theft or misdespatch or delay in transit, etc., etc. These analysis are understood to be a normal feature in every railway administration and periodically such statements are made available to members of the various consultative committee.

The value of these statistics has not evidently been fully appreciated. It is understood the pattern does not show any marked variation from period to period. Surely, if railways can ascertain what type of traffic is vulnerable and to what hazard it is normally exposed, steps should have been taken to prevent such risks and this would in due course become apparent in the statistics. It is also felt that Claims Prevention has not yet been developed on a scientific basis and railways would do well to devote their attention to this important subject. After all, what a shipper wants is not compensation but safe delivery of his goods to his customer.

It may be mentioned here that the handling arrangements in the Railway System need much to be completely overhauled and revolutionised. Besides making mechanical handling arrangements at important stations, the handling of bags by hooks by the labour should be discouraged and proper loading and unloading facilities at platforms having sliding arrangements so as to avoid damage by head loads as far as possible to the goods.

Q: 7. It is a well-known principle of administration that a mere change in the law of the country does not produce immediate repercussions. A considerable amount of time has to elapse before the change in theory is translated into actual practice, so that it can be stated, with a good deal of regret that the amendment has not served any useful purpose as yet, due to the narrow outlook adopted by Claims Officers. It is indeed difficult to prove that negligence is responsible for the damage; for the defect in packing provides an easy explanation, and the dice are loaded against the public. Further, until there are authoritative decisions by High Courts, the amendment in the law can have little effect. It must here be repeated that the trade has become accustomed to booking their goods at owner's risk rate and that it will take some time for the public to appreciate the beneficial effect brought about by the change in the Act.

Irrespective of the effect of the change, there has been a long standing demand for the narrowing down of the difference between the owner's risk rates and the railway risk rates. As a matter of fact, the complaint is a hoary one and has been voiced during the past half century. There is no actuarial relationship between the two rates and while it may be difficult to assess the actual risk, it should not be beyond the capacity of the railways to arrive at a workable solution of the problem. At the outset, the investigation could be restricted to half a dozen commodities. But the attempt must be made. In any case, the claim to a scientific system of rating has to be sustained. A flat *ad hoc* one or two class difference in rates cannot any longer be passed off as scientific.

Q: 8 & 9. Among the many illogicalities that are prevalent in the rating structure of railways, there is one that cannot fail to strike even the most casual observer, namely, the dissimilarity in the treatment accorded to commodities that are handled by the railway, but which are all liable to transit risk in smaller or greater measure.

Either all the commodities have to be carried only at owner's risk or at railway risk, or in the alternative, there should be only one basis of contract either at owner's risk or at railway risk. The present arrangement, whereby certain commodities are carried under both risk conditions and certain other commodities under only one set of risks, is on the fact of it, unscientific.

For the present state of affairs, perhaps, history can be blamed; but it is obvious that once the railways the fact that, under the existing law (Section 72) they are not common carriers, common sense would suggest that all the commodities have to be carried at owner's risk, because in fact the railways are *not* insurers of goods. Under the Indian Railways Act, their liability is restricted to that of a bailee and therefore no claim can arise unless gross negligence or misconduct is proved.

It follows, therefore, the common basis of contract must resolve itself into the shipper bearing the risk in transit. If, however, the shipper would require the railway to be more than a mere bailee, then the railway would be entitled to levy a fee which is in the nature of a premium for insurance against loss, deterioration, or damage in transit.

Furthermore, this fee must be related to the actuarial value of the risk against which the railway undertakes to indemnify the shipper. The mere automatic placing of the commodity one class or two classes higher, when it is to be carried at the railway risk, is entirely unscientific. In certain cases, the difference will be too small to cover the

actual loss in transit, even without the feature of gross negligence or misconduct. In other cases, again the fee would be too large because for certain commodities, say stone, gypsum, or ore, the risk of loss or damage is almost infinitesimal and could be covered by the railway at an absolutely nominal fee.

Q: 10. If it is accepted that the railways are not common carriers, then the proposal to abolish the owner's risk classification must be resisted because it is, in fact, a direct attempt at increasing the revenue by stepping up classification without going through the due process of law which at present requires that such proposals should be placed before the Railway Rates Tribunal. It is axiomatic that if the shipper is to have the option of insuring, either with the railways or with a private insurance company, both sets of classification must continue to exist.

Q: 11. The suggestion that owner's risk rate should be withdrawn has apparently been made in ignorance of the law of the land which says that railways are not common carriers. In other words, if there was to be only one classification, that would have to be at owner's risk, because by virtue of the law of the land, railways do not guarantee any more protection to the goods entrusted to their care than is required to be exercised by a bailee. Therefore there is no merit in the suggestion that owner's risk rate should be completely withdrawn.

There is already a provision in the tariff that for an accepted article, a premium has to be paid if the risk is to be transferred to the railways. This is a sound proposal. It involves the acceptance of the fact that traffic is normally carried at owner's risk and that if the railways are to be insurers, or common carriers, they are entitled to demand a reasonable fee.

Q: 12. Normally, it would be appropriate for the railways to accept goods for tranport at railway risk rate, but as has already been explained, in this country, the railways are not common carriers. Therefore, the more appropriate suggestion would be that all traffic should be carried at owner's risk and that if the shipper requires the railway to indemnify him against loss or deterioration etc, etc., he should be prepared to pay a supplementary charge which should be determined actuarially for each type of commodity.

Q: 13. There appears to be some confusion between *essential* packing and *desirable* packing. There are certain commodities which are most dangerous to handle unless they are packed in a certain manner. For such commodities to be accepted at railway risk, the packing condition MUST BE ESSENTIAL. If not so packed, they should not be accepted for carriage at all. For other commodities the type of packing would determine the incidence of risk. In other words, the better the packing, the lesser the risk, and therefore, the lesser the liability for damage.

Q: 14. The forwarding Note is an important document as it is the basis of the contract between the shipper and the railway. Not only in regard to claims for compensation, but also in regard to claims for refund the entries in the Forwarding Note serve to establish the nature of the contract and on that account, it is our view that the Forwarding Note must be a document which has to be devised with particular reference to this aspect of the matter. Further, it must be enjoined upon the staff that this should be filled most meticulously, that no erasers or alterations must be permitted, and that the whole note should be in the hand-writing of the despatcher or his authorised agent.

Q: 15. The railways in consultation with the representative bodies like the Chambers or the Association of the Industry concerned should be entitled to prescribe the packing conditions which may be of two types; those which are essential and which if not fulfilled will exempt the railways from the obligation to carry the goods: and those which are desirable and which when unfulfilled, would mean that the goods are defectively packed and the railways are to that extent indemnified against damage, deterioration, etc.

It is, however, important that unilateral action should not be taken and that packing conditions should be prescribed only after their feasibility has been approved by the representative bodies like the Chamber of the Association of the industry concerned. Obviously, normal trading practices have to be observed, though it would not be unwise for railways to lead the way to the adoption of better packing by laying down conditions provided, of course, such packing can be conveniently arranged at reasonable costs keeping in view the overall cost of the commodity concerned.

Q: 16. It has already been suggested that the railways can do a good deal to foster better packing by laying down conditions after consulting the general interest concerned. In this respect, the packing conditions on the railways of Europe or America could perhaps be studied with great advantage, so that gradually practices in India would conform to those in the more industrialised countries of the world.

It is known that packing cases which are standardised, tested and certified that they are able to bear pressure of certain weight, are largely marketed and it would be a good thing for the country as a whole if the railways could adopt such standardised packing as are being used elsewhere, particularly when the commodities are to be carried at railway risk.

In this connection we would like to point that it is equally important to improve the rough handling of the goods done by the labour employed by the Railways. Railways would be well advised to study the standard practice of handling the goods adopted in other Western countries where the goods are not thrown from the head loads nor do they use the hooks on the jute bags which result in damaging the goods much more than the actual standard packing could withstand.

Q: 17. All over the world, the railways engage in services that are ancillary to the main purpose of transportation and the provision of ware-houses is a facility that could legitimately be provided by the railways of India. This would have a doubly good effect on the country as a whole, namely, it would bring additional revenue to the rail-

ways and, further, since the railways have obtained land in the past free of cost, the rent, which could legitimately be recovered, would be lower than that payable by merchants to the City or Town landlords.

There is a further advantage in that the railways would help to solve one of the most difficult agricultural problems of the country. It is known that the Indian agriculturist or the small or medium industrialist suffer from lack of finance. Often the agriculturist or trader has to sell his produce at less than the market price, because he has not the necessary finance to store up the commodities until he can effect a sale at a proper price. If warehouses are available, he would be able to take advantage of price movements and thus railways would be benefitting the agriculture of the country, by providing warehousing arrangements at suitable places.

Q: 18. It appears to be strange that whereas everywhere else in the world the railways are common carriers, in India, their liability should have been so much restricted as to be that of a bailee. All along, Trade and Industry have had the suspicion that they are in the dark. When they entrust their goods to the Railway for carriage, the goods are at the mercy of the railways and yet the liability of the railways is limited. This is not a satisfactory state of affairs, and it would be certainly worthwhile if the Ministry were to consider the proposition that the railway's liability should be increased to that of a common carrier.

When the railways become insurers of goods, it would be proper to impose standard conditions for packing. Further the railways would be entitled to revise the existing railway risk rates in slightly upward direction, to the extent that would be justifiable by the amount of the additional risk they would now be called upon to shoulder. In that event the railways would secure additional revenue and although their liability would be increased, steps can be taken to ensure that avoidable cases of claims are eliminated. For instance there is no reason why a consignment should be damaged by wet. Equally, it is criminal to use leaky wagons and there are other obvious cases of negligence which, with proper supervisions, can be considerably reduced, if not entirely removed.

It may be mentioned here that the handling arrangements in the Railway system need much to be completely overhauled and revolutionised. Besides making mechanical handling arrangements at important stations, the handling of bags by hooks by the labour should be discouraged and proper loading and unloading facilities at platforms, having sliding arrangements be provided so as to avoid damage by head loads as far as possible to the goods.

Thus all round improvement in the working conditions of the handling of the goods and with the adoption of other modern methods it should be possible to considerably bring down the losses or damages on transit accounts whereby bringing down the claims to a minimum level. Constant efforts and vigilance in this direction could do wonder in improving the working efficiency of the Railways.

Q: 19. If it is true that the bulk of claims for compensation are due to thefts and pilferages, it is indeed a damaging comment on the morals of railway staff and the supervision exercised by officials. It is true that in every organisation there will be people with criminal tendencies; but it is equally true that thefts and pilferages can be considerably brought down by the proper control of the administration and strict measures of supervision together with drastic punishment of staff should be able to wipe out this blot from the fair name of India.

Q: 20. There is no doubt that if the railways become common carriers, their claims bill will mount up. But this will be more than counter-balanced by the increased revenue which they would obtain from higher freight rates, and in course of time, with stringent supervision, with mechanised equipment for transhipment, with better packing, and with improved morality, it should be possible to reduce the claims bills to a very nominal figure.

Q: 21. It is not known whether fictitious claims are made; but it is known that even genuine claims are repudiated for what can only be regarded as flimsy reasons. No shipper of goods desires that he should obtain compensation from the railways for loss or damage or deterioration of his goods. What he wants the railways to do is to carry his goods *cheaply and safely*, and nine times out of ten, whatever compensation may be paid, the merchant is put to a very great inconvenience by the fact that his goods have not reached his customers in a safe condition.

It will, therefore, be realised what loss in prestige, as well as in money, is suffered by the merchant, when goods are damaged or lost, and if, on top of all this, there is an inexplicable delay in the settlement of claims, it can well be imagined how disgusted the shipper becomes with the whole business'. There are quite a large number of merchants who would be willing to pay a higher charge if safe delivery of the goods at destination was guaranteed. It will also be easier for them to effect an insurance with the railway rather than to go to a private company. But such a state of affairs can only arise if the railways seek and obtain confidence of the public, firstly by the care they show in the goods entrusted to their custody, secondly, by acceptance of the liability where damage or destruction occurs, and thirdly, by prompt settlement of their claims.

PART III

Q: 1. There is no doubt a great advance was made by instituting the Railway Rates Tribunal and as far as can be ascertained, the functions of the Railway Rates Tribunal are not adequate for the purpose for which the Tribunal was set up. On a broad interpretation of Sections 41 and 42 of the Indian Railways Act, there is hardly any matter which can be said to be outside the purview of the Railway Rates Tribunal, but unfortunately the terminal charges, have specifically been removed from under their jurisdiction.

This is definitely an injustice done to the trade and industry which should be rectified. The Government should not be frightened that the Tribunal would reduce the terminal charges without any valid justification. But since the terminal charges are a compound of various fees, such as

loading and unloading, invoicing, labelling, marking, etc. etc., it should be possible for the public to challenge the refusal of the railways to reduce these charges when certain specific functions are performed by the public themselves, and not by the Railways.

In the past when the Railway Rates Advisory Committee was in existence, public confidence was shaken by the fact that their decisions did not have the force of law. It is therefore too fantastic a suggestion to make that certain powers of the Railway Rates Tribunal should be conferred on some other body. On the contrary, the prestige and powers of the Tribunal should be increased and widened to cover the examination of the entire issue on its own merit.

One useful direction in which powers can be increased is research into commercial methods of operation. The Tribunal could obtain and study reports from all over the world and suggest improvements which the Railways of India could experiment with.

This is what the Inter-State Commerce Commission of America is believed to do, with great success.

Q: 2. No change in the Section 42 of the Indian Railways Act should be made at this stage, for it would only shake the confidence of the public in the bonafides of the Government in setting up a Railway Rates Tribunal. The Tribunal should be the appellate authority where the merchants can take their legitimate grievances against the Government.

It is a salutory provision that the Tribunal should alone have power to reclassify a commodity in a higher class. This necessarily means that if the Tribunal is to be bypassed, the Goverment will be required to raise the rates *on all goods* in a particular class. Such a step could not be taken without attracting the notice of the mercantile, community, and therefore the Ministry of Railways would be required to furnish full justification for its demand for a higher classification, and the public would be afforded the opportunity to contest the claim of Government and to resist the proposal for the higher classification.

Q: 3. It is not known by whom such a suggestion has been made, but it is obvious this is a topsy-turvey way of doing things. Once a classification exists, an enhancement should be made only after the public enquiry. The burden of proof must be laid on the Government, which is in a better position to justify its claim than would be the public in resisting it. Since a higher classification is sought, the appellant must be made to justify his request not the other way round, where the public would have to apply to the Tribunal for redress.

Q: 4. So far, the rules of procedure adopted by the Railway Rates Tribunal seem to have the effect of restricting the scope of its activities. On the other hand, there should be no encouragement for flimsy references to such an august body. What could perhaps be done, without much difficulty, is to hold hearings at important cities of India, so that inconvenience to Trade and Industry is minimised. At present, there is a feeling that the location of the Tribunal at Madras has had the effect of dissuading many parties from seeking its help and guidance. It would be much better if the Tribunal is expanded further and have the office at Calcutta, Bombay, Delhi and Hyderabad over and above its office at Madras.

Q: 5. It is doubtless true that the cases coming before the Railway Rates Tribunal are not finalised as promptly as is desirable. Of course, there are many official explanations for this, though the most frequent cause of delay namely, the time given to the Railway administrations to file their statement, could be quite easily curtailed since no trader takes the case to Court unless he has a good deal of previous correspondence and argument with the railway administration.

It is our suggestion that after the filing of a case, only a month's time should be allowed to the Railway. Further, it should not be difficult for the Tribunal to arrange for a final hearing, after framing the issues, within a month or so.

Q: 6. There is a feeling that the total cost of filing a suit before the Railway Rates Tribunal is almost prohibitive. This has reference not only to the monetary payment for a competent lawyer, but to the long delay and the consequent uncertainty about the outcome of the case. A reduction in the fee may not be of very great assistance, but an experiment could perhaps be made with reducing number of witnesses. The applicant may be called upon to produce a signed statement from an expert, which would exempt him from appearance in Court. It is only in case of a doubt or dispute that an expert should be required to attend the hearing.

Q: 7. Since the Tribunal is in the nature of a Court, it is but natural that the aggrieved party should seek the services of a lawyer so that his application may not fail on account of some more legal or technical flaw.

It is certainly open to the Tribunal to make the hearing as informal as possible, even though their decision would have the effect of legal pronouncement. Certainly, an industrialist or a trader would be able to argue his case much better than through the mouth-piece of a lawyer, but he is compelled to adopt such a procedure because of the emphasis on the legalistic aspect of the whole matter. This means that technicalities should be reduced to the very minimum and that no suit should fail because of some technical defect.

Q: 8. It is highly essential that the members of the Railway Rates Tribunal should be of the category of Hight Court Judges appointed by the Law Ministry, and not by the Railway Ministry, as is the case at present. The constitution of the Tribunal in order to call it a completely independent body should not remain under the inference of the Railway Ministry directly or indirectly.

The rule requiring that the members of the Tribunal should be men of learning and authority should not be waived, at this stage. The Tribunal must be able to inspire confidence which can only be created by the appointment of men who have attained a certain position in the legal world.

Q: 9. At the present moment, it is a healthy tradition that the Tribunal should sit as a bench. This ensures that human bias is minimised to a great extent. The decision of a whole bench would not be subject to as much criticism as could perhaps be shown against a decision by a single member.

Q: 10. Whatever other criticism may be levelled against the Tribunal, it must be said to the credit of the Government that the system of associating assesors is a very useful and desirable method of settling a dispute between the railways and the public. In practice also, it is understood that the assessors have been discharging their duties with great credit. Occasionally a railway official mistakenly believes that he owes his loyalty to the railway and is required to vote against the public, but it is generally observed that the railway officials also seem to judge a case from the arguments placed before the Tribunal and not from any preconceived notion about the validity or invalidity of the case.

The system of forming panels and choosing assessors from the panels, is an admirable one. But because of the duration of the hearing, which is hardly ever less than three days, important commercial people cannot make it convenient to attend, even though First Class travel is provided free and a daily allowance of Rs. 50/- is granted. It is worth perhaps experimenting with the issue of Air Conditioned Class Tickets and increasing daily allowance to Rs. 100/- so that the best brains of the country can be brought into use by the Tribunal.

It is also worthwhile considering whether the railway assessors should also not be treated in the same manner. Their primary function is to serve as experts and for this purpose and in order that they may not suffer from any bias or inferiority they should be treated on a par with the assessors drawn from other panels. This will have the effect of forcibly creating the atmosphere that a railway assessor is not required invariably to side with the railways.

Q: 11. It is not known by whom the suggestion has been made, but it is obvious impracticable. The powers of making freight rates must rest with the Government, who manage the railways. But a decision against arbitrary rate fixation must lie with an independent, legal Tribunal whose decisions must have the force of law. A complaint arising from an incorrect freight rate is not different from that arising from undue preference or unreasonable charges for other services, etc. All this is correctly within the purview of the Tribunal.

Q: 12. It would be a retrograde step to abolish the Railway Rates Tribunal and to go back to the old policy of having an Advisory Body. The fact that the Railways are managed by the Government does not by itself provide to the public any guarantee that the railways would be run on strictly commercial lines so that their policy would not be subject to criticism by the public who would then have to appeal to the originators of the policy themselves—a situation which can never be satisfactory.

It is arguable that since the Railways are governed by the Government, the necessity for an independent Tribunal is all the greater so that there should be a balance against the weight and authority of the Government.

सत्यमेव जयते

DELHI

Shri Tulsidas Kilachand, M.P.,

New Delhi.

GENERAL

It is generally conceded that Indian Railways are the biggest undertaking in the public sector. Besides, it is one of the most essential public utility services and therefore the policy of the Railways should be obviously directed to meet increasingly the needs of an expanding economy whilst fulfilling the requirements of maintaining its financial stability. It is true that the Railways should be run as a commercial concern and should be in a position to recover their expenses out of their own earnings. However, it would be taking a very restrictive view of the development of the transport facilities in the country, if it is attained at the cost of general economic development. That this important aspect must underlie the recommendations of your Committee on the various aspects of the Railway Freight Structure hardly needs emphasis.

The railways together with shipping, roads transport and inland waterways constitute the transport system of most of the countries of the world. Further, the development of these different modes of transport has taken different role on the various historic and economic forces. A study of the transport system of most of the countries of the world reveals that besides railways, roads. transport, shipping and inland waterways have played an important role in carrying the bulk of the traffic. There has been a poor development of shipping, roads transport and inland waterways in India due to several historic factors.

The ratio of railway mileage to road mileage in India works out to 1 : 7 whilst 1 : 9.5 in case of U. K. 1 : 13.3 in U. S. A. and Canada and 1 : 23.9 in Australia. The

poor state of the growth of shipping in this country can be seen from the fact that the per capita shipping tonnage in India is .0012 whilst it is .36 in U. K., .18 in U. S. A., .017 in Canada and .08 in Australia. The progress in respect of the inland waterways is negligible in our country. It may be pointed out that in case of the countries of the continent and even the U. K., the system of inland waterways has proved itself responsible for carrying a large bulk of the internal traffic for agriculture and industries at low costs.

Shortcomings of the Transport Policy. The aforesaid facts will bear out the conspicuous absence of any efforts to formulate a sound transport policy for the country to provide a co-ordinated development of the various modes of the transport system. The Indian Railways have generally considered shipping and the roads transport as its rivals in securing of traffic. This basic idea of the existence of the unfair competition between the various modes of transport in the country has been largely responsible for the absence of co-ordination as regards the allocation of traffic and the regulation of rates policy of the railways on the one hand and of the roads transport and shipping on the other. It has also prevented the acceptance of the fact that a properly devised policy of transport co-ordination and the freight rates for the railways can promote the speedy growth of roads traffic, shipping and inland waterways.

It is in the context of the mistaken transport policy pursued in this country, the experience of transport development in some of the western countries may be profitably looked into. For example, in Germany the rates policy of the railways was so formulated as to make it an instrument of promoting the industrial development and also use it to further its foreign trade during the inter-war period. A high level transport authority can undertake this task of co-ordination of traffic available between the various forms of the transport system and also devise a rates policy to promote industrial development.

Since the advent of the Independence, the Indian Railways have been confronted with the problems of their war and postwar rehabilitation and expansion to meet the growing traffic capacity. The First and the Second Five Year Plans have laid great emphasis on the development of transport, particularly the railways by providing large allocations of funds and resources. The special emphasis on railways development can be seen from the absolute importance of the figures of investment in the First and Second Plans :

TABLE 1

Expenditure Actual and Proposed on transport.

	1951—54 Actual	1951—56 Planned	1956—61 Proposed
Railways	200	400	900
Roads	59	104	268
Shipping	7	23	97 (Inclusive
	266	527	1265 resources for inland water transport)

The fact that the Indian Railways can actively assist the growth of the roads transport, shipping, inland waterways and a large number of engineering and ancillary industries in the country has not been properly appreciated in this country. It is not fully realised, for instance, that the railways are the biggest consumers of coal and steel in India; the recurring requirements of the railways as regards the machinery equipments etc., amount to several crores of rupees a year, out of which, as the Stores Purchase Committee have shown, a large portion is secured from abroad through imports. It is thus doubtless that a proper policy of transport development can stimulate industrialisation, and in turn, industrial development will call for the expansion of the transport system. Thus, the development of transport is inextricably bound with industrial expansion and general economic development and therefore it calls for closer co-ordination between transport and industrial policy.

In the context of the ambitious programme of industrial development during the Second Plan, it must be remembered that in a sub-continent like India, railways alone will not suffice to meet the country's transport requirements, even today's transport requirements. Even to-day the railways themselves have proved incapable to satisfy fully the transport requirements of the coal industry. The lack of a satisfactory net-work of railways in the western parts of the country prevents the exploitation of the limestone deposits for the manufacture of cement. The higher targets of coal and steel production in the Second Plan will necessitate the planning of additional railway track mileage and the acquisition of additional rolling stock. The reduction of one ton of steel, according to an estimate will require the transport of almost twenty tons of materials such as coal, iron ores, manganese, silica, dolomites and chromite. Thus, the pressure on the railway system consequent upon a substantial rise in agricultural and industrial production can be well imagined.

In the light of this, the programme of the Railways in the Second Plan with regard to the expansion of mileage and rolling stock appears very unsatisfactory. As a matter of fact, even the Railway had claimed an allocation of Rs. 1,500 crores in the Second Plan to meet the additional traffic demands during this period. With the pruning of the railway plan to Rs. 900 crores in the Draft Outline of the Second Plan, it will now become impossible for the Indian Railways

to meet the traffic needs emanating from agricultural and industrial growth It has, therefore, become inevitable that unless and until a sound policy for the development of transport of all types for the next 20 years, with high level co-ordination with regard to the allocation of traffic and the rates policy is formulated right now our ambitious schemes of stepping up of national income and providing employment to 8 to 10 million persons in the next five years will be frustrated.

PART I-A.

Q: 1 (a). The effect on industry and trade of the general classification of goods is the all round increase in freight rates.

(b). The number of telescopic rates adopted in 1948 has not been helpful to industry and trade in general. The principle has acted adversely almost in case of every kind of traffic including the loose and bulky goods like coal, timber, sand etc., which used to be carried at Schedule and wagon-mile rates prior to 1948.

(c). The revised freight structure has a very serious effect on short distance traffic :—

(i) the minimum distance to be charged was increased from 10 miles to 20 miles ; and

(ii) the minimum rate to be charged, which was .10 pie per mile per maund in case of coal and .16 pie for other goods was increased to .25 pie per mile per maund together with class-one rate, which was .38 pie per mile per maund and which was increased to .54 per mile per maund.

Thus the increase has affected all traffic short distance upto first 800 miles, and the minimum charge was doubled both for distance and cost. As for instance, in future, the sugarcane traffic, which used to be carried by rail before 1948, has now been diverted by road, thereby affecting the volume that was moved by rail.

Q: 2 (a). The present rating arrangements do not permit of sufficient flexibility to meet the legitimate need of industry in regard to movement of raw materials and finished products as special quotations by means of station to station and Schedule and exceptional rates have been done away with.

(b) The Railway Administrations do not exercise the discretion permitted to them under the present rating arrangements to meet the legitimate needs of industry as they have acquired a sort of monopoly and do not encourage for the industries as there used to be competitive quotations to cater for traffic by different Railways with vested interests of each.

Q: 3 (i). The existing class rates which number 15 are hardly necessary. Regarding wagon-load scales the number 13 is hardly necessary. Instead the class rates should be 12 in number, and the basis in case of telescopic class rates should be 38 pie per mile per maund for class-one traffic and the basis of standard telescopic wagon-load rate should be .20 pie per mile per maund considering the increased cost of carriage to the Railway as most of the traffic moves short distances. The basis of first 100 miles taken in case of wagon-load rates should be reduced to 75 miles and the basis of telescopic class rates for the first 800 miles should be reduced to 200 miles as the average distance for goods traffic is below 800 miles.

(ii) (a). It appears that the number of 'legs' as provided, require to be changed as they appear to be more artificial than real in case of both the class and wagon-load rates.

(b) The rate per mile under each 'leg' is also not appropriate, and the modifications suggested in case of wagon-load rates are as follows :—

W.L.A. .20/75 & less with the increase in
W.L.B. .24/75 mileage upto 150 miles
W.L.G. .28/75 and over.
W.L.D. .32/75
W.L.E. .36/75

In case of class rates, class one should begin for the first 200 miles with .38 pie per maund per mile, class two .488, class three .48, class four .58, class five .59, class six .65, class seven .71, class eight .77, class nine .84, class ten 0.92. class eleven 1.00 and class twelve 1.80.

As the average distance travelled by goods is not more than 800 miles, the above basis should be telescopically reduced for the next 200 and the third 200 miles and beyond with the appropriate reduction in the rate per mile under each 'leg'.

As regards coal the basis should be reduced to .20 pie per mile per maund for the first 200 miles the other telescopic rates may be allowed to continue.

The financial effect of the above modifications will not result in loss of earnings to the Railway but will increase their earnings due to the increase in volume of traffic and will help trade industry, and all consumers.

It has to be remembered that classification of goods was also changed by classifying many commodities into the higher class than was prevalent in 1948.

Q: 4. The maximum rates as are quoted are not necessary for distance beyond 1500 miles. The telescopic rates on a continuous mileage basis should apply, as there is hardly any occasion to apply these maximum rates as the average distance a ton of goods was carried is not more than 800 miles. It was 296.5 in 1951-52 and 294.4 in 1952-53.

Q: 5. The principle of levying separate (1) terminal charge, (2) short distance charge and (3) transhipment charge in addition to the conveyance charge has to be accepted. Regarding the quantum of these charges it appears that the quantum of short distance and transhipment charge is reasonable. As regards the quantum of terminal charge some change appears to be necessary.

The standardised terminal charges for general merchandise are fixed at 8 pies per maund at each end where the Railways are required to do the loading and unloading, and six pies per maund at each end where the owner is required to do the loading and unloading. These two pies at each end are deducted as loading and unloading charges when the owners are required to do the same. This charge is levied without

taking into consideration whether any terminal service has been rendered or not. Presently, railway straightaway levies one anna at both ends where the owners are required to do the loading and unloading irrespective of whether any terminal service is rendered or not. This requires to be reviewed

The terminal consists of two kinds (1) station terminals and (2) service terminals The railways should see that wherever no services are rendered no charges should be made at either of the stations. Big industrial concerns have always provided their own sidings, and it is in such cases that the railway should not charge service terminals, as the industry concerned has already disbursed the capitalised value and has also been paying the rent of the sidings or siding charge as the case may be. There have been good many cases where this is being done, and this question of charging terminals over and above the conveyance charges requires to be looked into. The trade and industry have no means whereby they can make the Railways charge correctly as the law leaves no remedy either with the Railway Rates Tribunal or with the Civil Courts as both are forbidden by law to deal with standardised Terminal charges. There is no question of any loss of revenue incurred thereby as the railways are not supposed to charge their customers wrongfully and take advantage of their ignorance and helplessness.

Q: 6. As stated above, very little of the traffic has to move long distances, and as such the distance unit of one mile needs no change.

Q: 7. The existing minimum distance for charge of 20 miles for goods traffic has been prevalent since 1948. Prior to that the minimum distance for charge was 10 miles. The railways' contention for this increase was that their cost had increased, and hence the minimum distance for charge was also increased together with the minimum rate of charge. This contention was reasonable, and the existing minimum distance of 20 miles for charge and the minimum rate of .20 pie per mile per maund, in my opinion, cannot be altered without incurring losses.

Q: 8. The charge for haulage of empty tank wagons to the loading stations is ridiculous. It is never done in any country. Railways are supposed to provide tank wagons as and where there is traffic, and there should be no reason whatever for the haulage of empty wagons as in the case of the other wagons. The railways have not to run a special train to haul these wagons from depots. They are carried by ordinary goods train from the depot to the loading stations as and when required. As such empty haulage charge is unreasonable and should be abolished.

Q: 9. The existing classification of goods has been arrived at after a good deal of labour and trouble by the committees of the I. R. C. A., taking into consideration the transportation conditions and the prices prevailing of these commodities. Grouping of particular commodities in a few cases, as shown in annexure 8, is unavoidable, as they form more or less the same characteristics.

Q: 10. The classification of goods as at present is quite satisfactory except that a few commodities that are now classified in classes 13 to 15 will have to be brought into class 12 if only 12 classes are to be formed. This can be done with the least possible trouble and there are very few commodities in these classes.

Q: 11. The rates of traffic to be moved in wagon loads have been suggested in para 3 (a) and (b) above and the rates for smalls should be the ordinary class rates with a minimum charge of eight annas as was the case prior to 1948.

Q: 12. The uniform rate of minimum charge at Rs. 1/12/- per ton on the carrying capacity does need revision. The charge should vary with the class of commodity carried as otherwise the trade and industry have to suffer a lot, as the railways generally provide wagon with very high carrying capacity, such as 27 to 35 tons, while the class of commodity is such in case of loose consignments like grass, sugarcane, that it has weight more than 10 tons. Even then the charge for the minimum capacity has to be paid.

Q: 13. (a) The uniform minimum charge at Re. 1/- per consignment for "smalls" is too much. The railways wanted to increase this. The 'smalls' consist of variety of commodities travelling short distances, and the minimum charge should be what it was prior to 1948, *viz.* 8 annas.

(b) The charge will certainly vary with the class of commodity as in case of a bag full of grains or a brick of silver.

Q: 14. The minimum weight for 'smalls' carried by goods train should not be less than 20 seers. This would avoid the wasteful operative in duplicating the services both by goods and parcel trains.

Q: 15. All commodities upto a maximum weight for 'smalls' traffic carried by goods train cannot be placed in one class. The commodities have to be charged according to the classification, and as stated above, a bag of wheat or rice cannot be compared with a parcel of gold or silver coins even if it does not weigh as much as it is the value of the commodity that counts and corresponding responsibility of the bailee as a carrier of goods, and as such placing them in one class, which can only be the highest class, is not feasible.

Q: 16. To ensure better utilisation of transport capacity any of the three alternatives suggested can be adopted. But it is very difficult to lay down any hard and fast rules, as the condition of transportation would be different in different areas carrying varieties of commodities. As it is intensive use of wagons depend upon quicker movement *e. g.* it is not necessary to provide 90 wagons if three trips of 30 wagons each can be conveniently made to carry a particular commodity between stations. Full wagon load traffic is encouraged by both the railways as well as the users. What is required is to improve the speed of goods trains which average only 9 to 10 miles per hour, inspite of the wagons having been provided with Automatic Vacuum Brakes at great cost as on B. G. Railways.

Q: 17. Train load rates as a feature of the railway freight rate structure is not desirable

in the existing circumstances as we have not the number of wagons nor the locomotives to provide for this. Again, it is likely that it will cause hardship to some of the smaller concerns. Instead it would be worth while trying to have special goods trains run between points whenever the railway can conveniently do so for which special lump sum rates should be quoted by individuals, correspondence between the party and the railway concerned just as we do in case of passenger train specials, where the railways charge haulage of the engine and a certain fixed amount on mileage basis.

Q: 18. For special express railway goods services an additional charge can be levied. During the War such charges were levied, but it should not be more than Rs. 5/- per consignment, depending upon the time taken and the service rendered between the points.

Q. 19. The charges for supply of cranes for loading and unloading of heavy consignments when required by the private party should be fixed up by the railway with the party concerned on ordinary business principles. But when the railways themselves have to do it at transhipment points, the charges should be included in the transhipment charge which is levied.

Q: 20. The rates for live-stock and animals and conditions applying thereto are reasonable in view of the fact that the value of these has considerably increased except the condition of prepayment which is a hardship.

Q: 21. It is hardly true that the overall charge for short distance is unremunerative as the railways have already doubled the charge by increasing the minimum distance and minimum rate for charge. Over and above this, they charge three pies as short distance charge if the traffic is within 75 miles. This is done invariably except in a few cases while formerly railways did not charge this rate to encourage movement within 75 miles.

(a) It is true that the railways should not carry such traffic where there are alternative modes of transport available. The distance for such traffic will have to depend upon a particular mode of transport and the kind of commodity, as for example, bagged traffic can be carried by road easily for a distance of 75 miles or more if the road is good enough. Similarly if there is a water way the burden of the railway could also be reduced, but it will not be to the same extent as it would be in the case of carriage by road.

(b) If the short distance traffic is to be diverted as mentioned above, naturally the freight rates will have to be adjusted, and the road transport or inland water-way, whatever mode of transport is used, will have to fall in line with the railway freight structure. Thus the traffic will have to be allocated to a particular mode of transport available in the area to be carried at more or less the same freight rates.

(c) The above principle will also apply in the case of long distance traffic and it is our experience that if the freight rates are adjusted even on long distance traffic, the commodities could be carried by coastal shipping or by roads or jointly by rail-cum-road-cum-water way. To remove the strain on railways adjustment of freight rates is necessary and desirable in the interests of all concerned. For example, coal traffic used to be carried by sea from Bengal to Saurashtra in olden days, the shipping companies having increased their freight rates, all that coal is now carried by the railways locking number of wagons for long distances simply because the Railway freight works out cheaper than sea freight. Similarly full pressed cotton bales were carried by road to Amalner a distance of over 150 miles from Bombay. The same applies in so many other cases, and it would be, therefore, necessary to equalise the rates by different modes of transport. During the war the cases are known when food grains from Saurashtra were brought to the districts of Baroda State by sea-cum-rail-cum-river routes equalising the freight of the combined routes with that prevalent on the direct railway route.

Q: 22. The freight rates by road or inland water-ways for short distances are compared unfavourably but as stated above they will be required to be equalised and traffic allocated to particular mode of transport either railway or road or water-way or all jointly or severally. There and then only strain on any one of them can be reduced and equalised without any detriment to the economy of the country.

Q: 23. The formation of a freight pool can be one of the methods if the suggestions as made in replies to Q: Nos. 21 and 22 are not possible. This, however, hardly seems possible, as the freight will have to be pooled between different vested interests, such as, the Central Government in case of rail transport, the State Government in case of road transport and the shipping companies in case of sea transport. It is because of this reason that the method of allocation and the equalisation of traffic and freight rates respectively is suggested. It may be mentioned, that to any mode of transport to which a particular traffic is allocated and which was moving by other mode of transport, it will mean new traffic to that mode of transport to which it is allocated. As such the freight that this mode of transport will get, will be in addition and which they did not get before. Alternatively freight pool for traffic which is to be carried by more than one mode of transport either on mileage basis or on such other basis as may be agreed to, will be necessary. This would apply to carriage of coal, iron and steel, kerosene oil, petrol, cement, chemical manures, sand and such other bulky goods. It will be necessary to determine the spheres of influence of different forms of transport existing in an area or areas and allocate traffic to each one or both or all the three and equalise freight rates or form a freight pool for through traffic.

Q: 24. It is hardly believable that Jute is not grown beyond the limited radius of Calcutta, because it involves less price to the cultivator due to freight charges increasing with the distance. It should be found out if raw jute could be grown profitably and economically elsewhere. Probably it is the soil and climate of the area that counts and not the freight charges.

Q: 25. Either the freight pool or the equalization of freight and allocation of traffic as suggested in paras 21 and 22

should not be controlled either by the railways or the industry concerned, but it should be under the control of an appropriate Central authority like the Central Transport Board who should work it for obvious reasons.

Q: 26. In view of the development achieved in the First Five Year Plan and contemplated by the Second Five Year Plan, the present freight structure needs revision as suggested in para 3 above.

Q: 27. The short distance charge on sugarcane traffic was done away with last year, but it is regretted that its effect was nullified by a revised charge of carrying capacity of wagons on square area basis. The list of cases where the requests were turned down is not available and therefore cannot be given.

Q: 28. Since 1948 the procedure involved for requesting for quotation of station-to-station rates, or reduction of rates for particular commodity has become very cumbersome, as the railways have been deprived of the powers for such quotations, and the Railway Rates Tribunals have to be approached. In all such cases, excepting a few ones, it is not possible for the general public to do so, hence such requests are few.

Q: 29. The revision of freight structure in 1948 has created a very unfavourable effect on the industrial development. The following tables will show the increase in freight rates in the particular sugar industry with which we are concerned :—

Old charges on E. I. Railway.

For the 1st 300 miles	...	...	·38 pies per maund per mile.
next 300 miles	...	...	·25 ,, ,,
distance beyond	...	...	·20 ,, ,,

New telescopic rates introduced in October 1948.

Wagon loads.

Basis of charge			Basic charges per maund per mile in pies.	Maximum rate permissible
For 1st 300 miles	...	...	·58	
2nd 300 ,,	...	...	·54	
distance above	...	...	·49	Rs. 4 0 0

The following concrete illustrations will put the increase into bold relief:

			Old rates per md.	New rates per md.
Dalmianagar to Howrah	...	...	Rs. 0 8 10	Rs. 1 1 9
Seohara to Howrah	...	...	,, 1 5 6	,, 2 7 3
Rampur to Howrah	...	...	,, 1 2 6	,, 2 5 2

With introduction of these new rates, station-to-station rates for movement of sugar, which were in force for several years, were abolished at most of the places while at others new rates, substantially higher than the previous rates were quoted. The following comparative figures are illustrative :—

			Rates upto 14-9-48	Rates from 15-9-1948
Bihta to Kalol	...	...	Rs. 1 5 5	Rs. 1 13 5
Dehri-on-Sone Mehsana	...	...	,, 1 6 4	,, 1 13 6
Seohara to Bombay	...	...	,, 1 2 8	,, 1 10 6

While fixing the new station-to-station rates the railway authorities were guided by the principle of quoting such rates for those places which were far away from the main producing centres of U. P. and Bihar *i.e.* Bombay, Madras etc. because it was realised that sugar being an article of daily necessity, increased transport costs will put the consumers at distant places to much hardship. No station-to-station rates were quoted for places like Calcutta and Delhi, which have a large number of sugar factories in the hinterland.

It will, thus, be apparent that the concessional rates granted under the revised railway rates, introduced in October 1948 were themselves much higher than the rates ruling before. But these rates have also been withdrawn since December 1, 1951. The effect of the withdrawal of these rates will be clear from the following figures :—

		Rates per md. before 1-12-51			Rate per md. after 1-12-1951		
Harinagar to Bombay	...	Rs. 1	10	6	Rs. 2	11	8
Hargaon to Bombay	...	,, 2	1	5	,, 3	7	3
Seohara to Bombay Carnac Bridge	...	,, 1	10	6	,, 2	11	5
Bhita to Kalol	...	,, 1	13	5	,, 2	14	0
Dehri-on-Sone to Mehsana	...	,, 1	13	6	,, 2	11	3

From the above it will be seen that the increase in freight rates to such an extent had adversely affected the industry. The remedial measures that can be suggested are that the railways should revert to the pre-1948 method of quoting station-to-station rates as was the case in pre-1948 days. This, however, is not likely to be done as the consuming centres though fall on Western Railway and the manufacturing centres on North Eastern Railway covering a distance of over thousand miles have no competitive attitude as they used to have, as they are both owned by the Central Government. Briefly speaking, the railway officers have lost all touch of commercial competition and do not view this aspect of the problem as used to be done in pre—1948 days.

Q: 30. There is no doubt that unless concessional station-to-station rates are revived on a large scale, the development of new industries and assistance to export trade cannot be fostered.

Q: 31. The railway freight rate policy should be based on a well known maximum "charging what the traffic will bear" and not on the consideration of the economics of transportation and the needs of railway finance. Nationalised railways create a certain monopoly and forget to look after the interests of the users at large. They should remember that they are Public Utility concerns and the rates to be charged by them should be on the capacity of traffic and not from the point of view of the economics or finance. The safe-guards for earnings are already there as they have been allowed to charge for the minimum distance at the minimum rates and according to the classification of commodities, which should form their economics.

Q: 32. To utilise the railway freight structure to assist the development of a new industry or interest or to the requirements of existing industries and thus to create a distinction between the two would mean preferential treatment and this is not constitutional.

Q: 33. To distinguish between old establishment industries and the newly developed industries in the fixation of freight rates cannot be advocated as it would mean preferential and partial treatment, which is against our constitution. No preferential treatment in the form of Railway freight rates is necessary either to the new industries or for the economic development of the under-developed areas, as the freight rate forms only a very small and insignificant part of the whole structure of cost to the consumer.

Q: 34. It is true that the high level of cost of material and labour has the effect of rendering the new lines unremunerative; for which charges on the basis of inflated mileage for a period of five years can be levied. My comments in this connection about laying down the policy for new construction of railway lines in future are :—

(i) Unless where there is a financial justification no new railway lines should be constructed except when required for strategic purposes.

(ii) New railway lines should be constructed only to open up new forests and river valleys to carry heavy minerals or bulky forest produce which cannot be carried by road.

(iii) In parts of India where traffic prospects are not for heavy or bulky goods, as stated above, the construction of roads should be preferred, as it would be less expensive and easy to carry 'smalls' as well as 'bagged' traffic from market to market.

(iv) Wherever prospective traffic could be carried by either roads or waterways, railways should not be constructed but Roadways encouraged.

Unless the abovementioned points are kept in view while sanctioning the new projects, the railways will not be able to cope with either the traffic, that is available, or the traffic that is going to come.

Q: 35. The best suited freight policy to follow in the circumstances in which the country is placed to-day is "to charge what the traffic will bear". Our freight poicy cannot be otherwise. It will facilitate the economic as well as industrial development of the country. As regards securing adequate revenue for meeting increases in maintenance and operation costs, extra charge may be made on inflated mileage basis for a number of years which should not exceed more than five or six. But before the construction of the new railway is undertaken the suggestions made in para 34 should be noted.

Q: 36. As the railways are nationalised, special contribution to the general revenues from the railway revenues is not justified. What is justified is only the interest at the current bank rate on the capital invested. If this is done, there would always be a surplus which can be utilised for betterment of the existing lines as well as for rehabilitation purposes.

Q: 37. No preferential treatment in freight rates can be given to any Industry or trade public or private. If the principle of charging what the traffic will bear is kept in mind and our freight policy is adjusted accordingly, no such necessity will be felt. Besides it might also mean political preference.

Q: 38. The general policy of Government to control or fix ceilings for the prices

of particular commodities does effect the charging of freight rates. The normal principles which the railways have to follow in their classification of goods is to charge what that particular commodity will bear, i.e. on the basis of its prevailing value. As such any ceilings or control fixed by the Government will surely affect the freight structure.

Q: 39. This allegation is hardly correct. In 1948 the basis of cost which was ·10 pie per mile per maund was increased to ·20 pie per mile per maund together with the minimum chargeable distance, which was also increased from 10 miles to 20 miles. Several commodities were placed in a higher class and the basis of ·58 pie per mile per maund which was charged for traffic in class V was made the basis of class I in the new classification. This was done as the cost of transport had increased, and the commodity like coal was also charged at higher rate. There is no reason to believe that the cost of transport has increased since. But if it is so, the minimum charges both as regards distance and rate can be increased suitably without interfering with the general freight policy as enumerated above in para 3.

Q: 40. It is true that during the next five years the railway transport capacity will have to be increased very substantially. It may be stated, however, that there is no question about raising the freight charges for either "low rated" traffic or the "high rated" traffic. As stated above, the minimum charge for distance as well as the rate can be increased provided it is justified. It may further be stated that the railways alone will never be able to meet with the requirements of the country even after additional expenditure, and the only remedy, therefore, is to co-ordinate the railways, the road and the waterways by allocations of traffic to each or all forms of transport and equalisation of freight between these modes of transport.

Q: 41. The fluctuations in the competitive conditions in the export market will have to be taken into consideration as the country's export trade has a lot to do with the country's economy. The necessary adjustment in railway freight rates for exportable commodities can be made by quoting special station-to-station rates, if the ministries concerned co-ordinate their efforts. With the additional export market the railways are sure to get additional traffic, and as such there should be no difficulty for the railways to quote concessional rates for such traffic. Our freight policy should be elastic and not static. As such no importance can be attached to stable rates irrespective of these varying factors.

Q: 42. In the post-war period there has been noticed a lot of unnecessary change in the pattern of traffic. This applies to the quantum, direction and range of movements of commodities It was noticed during the period of control that lot of cross movement in foodgrains had created a problem for the railways. A good deal of traffic was moved from Saurashtra and Rajasthan to Bihar where it was not required and had to be returned. In this connection it is very necessary that there should be greater co-ordination between the ministries of the Union and the utility as well as the possibility of movement should be considered in consultation with the railway ministry which is generally not done.

Q: 43. The freight rates policy adopted in 1948 had influenced the location and pace of development of industry in centralisation to a greater extent and in narrowing down the sphere of influence and has not taken into consideration the furtherance of trade as the policy adopted was a "save face" policy to get more earnings for the railway without any consideration of the economic good of the country.

Q: 44. In the sugar industry the prices that are quoted are ex-factory and not F.O.R. destination or F. O. R. forwarding station. It is clear however, that the markets for Bombay, Saurashtra, Rajasthan and South India are lost to the sugar industry in western U. P. and Bihar. Due to partition, the markets of the farther Punjab districts, such as, Lahore, Rawalpindi, Peshawar for the sugar industry in these areas have also disappeared.

Q: 45. Out of the 70 per cent. of the population in the Union who are agriculturists about 65 per cent are small farmers, who are not using chemical manure, diesel oil or seeds, which they have to transport. It is only in the case of remaining 5 per cent. that mechanised farming with the element or railway freight bears upon the cost of production of important food crops and commercial crops. And if the principle as enunciated above to charge what the traffic will bear, if followed there is going to be no difficulty either for big or small growers.

Q: 46. The movement of agricultural produce in this area is greatly restricted due to the transport bottle-necks. As the State Government is purchasing and controlling foodgrains, the railway gives them priority for movement of the same, while the poor farmer has to sell his produce either to the Government at a fixed rate or to remain satisfied with whatever he gets by selling it locally. The same applies to industrial produce. Four lakh tons of sugar out of 8 lakh tons of production in Western U. P in the year 1954—55 is still (27—10—55) lying in the godowns. More or less similar is the case with Government Depots but they get priority of movement. This should explain how the transport bottle necks have interfered with the movement of industrial produce as well as agricultural produce.

Q: 47. The only possible way in which the small agriculturists can be helped in disposing of their produce quickly is to reduce the freight rate in case of 'smalls" with a minimum charge of only 0-8-0 as stated above. The provision of warehouses for temporary storage may help but will raise a number of questions about the losses that would accrue and the co-operative bodies who will work as middlemen will not be able to safeguard the interests of the small agriculturists. The railways should run on normal ordinary trains what are called "sectional road vans" in which the smalls that would be booked on road side stations for road side stations could be carried from day to day. It is not necessary that the railway should wait until the small consignments make up a full wagon load for one destination. The railways can

also prepare "through road vans" for a number of smalls for the same destination. These facilities have to be given if the small traders or agriculturists are to be helped as used to be done prior to 1948 on almost all the company-managed railways.

Q: 48. The private sector does not envisage any industrial development in the Second Plan Period as they are interfered with in the smooth working of their industries by various rules and regulations which leave no incentive for development.

Q: 49. As no development is visualised in the private sector during the Second Plan Period and as the volume and length of movement of existing traffic is affected, no remarks are necessary.

Q: 50, 51 & 52. No remarks.

Q: 53. This can be replied by the State Governments.

Q: 54. As stated above, the basic principles to be followed in framing the railway freight structure generally is (1) to charge what the traffic will bear (2) to meet with the cost of transport the minimum rate as well as the distance can be increased suitably; (3) the freight for rail, road and water-ways should be equalised and (4) where all the three are concerned freight-pool can be arranged by agreement. It is not necessary to have financial merger of all the three forms of transport but an agreement can be drawn and traffic be carried by each as appointed to serve the needs of the trade, industry and the consumer.

Q: 55. My suggestions are amply put up in the above mentioned replies.

To sum up the main points discussed in Parts I and II of the Memorandum, the railway rates policy should be governed by the following principles:—

(a) While fulfilling the necessity of maintaining the financial stability of the railways as a commercial undertaking, the rates policy should be treated as an important instrument for the development of all modes of transport, including the railways, to assist the promotion of industries and trade and also as a source of encouragement for the expansion of the foreign trade of the country.

(b) To this end, the railways should offer developmental freights to the trade and industry where such encouragement is required for initial development. Secondly, a co-ordinated rates policy for all modes of transport including the railways presupposes the allocation of different traffic to different modes of transport by a transport co-ordinating committee under the Ministry of Transport. It may be pointed out that it is not necessary to have financial merger of different forms of transport for this purpose. Traffic can be apportioned to each segment of the transport system by this high powered co-ordinating body with a view to serve the needs of the trade, industry and the consumer.

(c) The maxim that should govern the formulation of railways rates should be that the traffic should be charged only to the extent to which it is capable of bearing the charges. This principle has been accepted in many other parts of the world. The attention may be drawn to the Federation's Memorandum wherein it has been emphasised that the present rates policy is far from being conducive to the promotion of industries and trade in the country and also for strengthening of the foreign trade.

(d) Whilst allocating the traffic to different commodities of transport there is one more point that may be borne in mind. During certain months of the year railways have to bear excessive pressure of traffic. I would suggest that certain commodities like coal can be transported during the non-busy months by so formulating the rates structure to provide a surcharge on the transport of these commodities during busy months and also some sort of reduction in rates in the transportation of the same during non-busy period.

Shri Sarangadhar Das, M.P.

New Delhi.

PART I-A

Q: 5 (iii) With a view to expedite transhipment, mechanised handling of goods at some transhipment points might be introduced and suitable transhipment charge for break-of-gauge might be levied for this purpose.

Q: 14. Small packages should normally be booked as parcels and the minimum weight for a 'smalls' consignment carried by goods should be raised to 20 seers. This will prevent the possibility of small packages being lost in transit, when booked as smalls.

Q: 17. It would be desirable to have 'train load rates' becuse this will encourage large firms to offer goods in train loads, which will be beneficial for quick movement of wagons.

Q: 18. It would be perferable to have an additional charge for special express goods services. When this charge is paid, the consignor will then be definite that his goods will be despatched by express goods trains. Therefore he will know in advance, when his goods will reach destinations.

Q: 19. The number of cranes on the railways is insufficient. This results in heavy consignments offerred being held up for want of crane. The number of cranes should be increased on the railways and the crane charges may be slightly increased, if necessary.

Q: 21 (b). Yes. The freight rates on short distance traffic should be so adjusted as to encourage diversion by alternative means of inland transport, either road or water.

Q: 24. The question of uniform pooled freight on all raw jute brought to Calcutta may be considered favourably. Care should, however, be taken while fixing the pool freight that railways do not lose in the bargain.

Q: 26. A suitable revision of the present freight structure with a view to give impetus to the development of new industries in the country may be considered. In doing this, care should, however be taken to ensure that the railways do not become a losing concern.

Q: 31 to 33 & 37. The railway freight rate policy should be guided by the following considerations (i) the freight charged on any commodity should not be less than the cost of haulage (ii) the freight charged should not be more than what traffic can bear. (iii) the freight structure should be such as would assist the newly developing industries in the country. (iv) the freight structure should also give some preference to the samll scale cottage industries. (v) the freight structure should also give some preference to the export and import traffic provided it is carried by Indian shipping.

Q: 34. As and when resources are available, unremunerative lines may also be constructed provided they are expected to become remunerative after a few years. For the interim period, the charges may be realised on the basis of inflated mileage to avoid loss to the railways.

Q: 39. Under no circumstances should any commodities be allowed to be carried at rates below the cost of transport.

Q: 41. As stated earlier, a certain amount of preference may be given in railway rates for export and import traffic, if it is carried by Indian shipping. Such concession in rates should be of a definite nature and it should not fluctuate with the fluctuations in the competitive conditions in the export market.

PART II

Q: 18 & 19. In this connection reference might be invited to the Chapter on Compensation Claims in the Report of the Railway Corruption Enquiry Committee.

Shri S. R. Rane, M. P.

New Delhi.

(*Constituency*: *Bhusawal, E. Khandesh, in Bombay State.*)

GENERAL

I was glad to read in the Press the news of appointment of your Committee to go into the question of Railway freight. I am not in a position to know how far the Committee has proceeded in its work. The Agriculturists growers of plantains have a grievance about the Railway Freight which is very high in their opinion and which deserves to be reduced to the level of freight that was charged for wagon of plantains in 1941, *i. e.* about Rs. 490.

The Agriculturists of my district were growing plantains for a long time and these plantains were exported to Delhi, Lahore etc. before partition of India. After 1947 on account of shortage of food, the Central Government *i. e* the Food-Ministry encouraged to grow more plantains to supplement our food and hence the total area of plantains came to about 20,000 (twenty thousand) acres in my District, but the Railway authority increased the railway-freight by nearly 75% (Seventy five percent) to more than 100% (hundred percent). To give an idea of the increase of Railway freight, I am giving below the rates from some two stations. The rates given below may be incorrect to a little extent, but I have tried to gather from some private different sources. The rate of Railway-freight are as under:—

Rates of Railway Freight

From Pachora Station (Central Railway) to Delhi:—

(i)	Rs. 300	per	wagon	in 1924—25
(ii)	„ 490	„	„	in 1932 to 1941
(iii)	„ 613	„	„	in 1941 to 1947–48
(iv)	„ 922	„	„	in 1948 to 1949
(v)	„ 1069	„	„	in 1949 to 1952
(vi)	„ 1058	„	„	after 1952

From Nimbhora (Central Railway) to Delhi:-

(i)	Rs. 456	in 1941-42 to 43-44
(ii)	,, 570	in 1944-45 to 47
(iii)	,, 1013	in 1948-49 to 1950-51
(v)	,, 994	in 1950-51 to 1953-54

The above said rates of freight go to show that the rates of freight have been increased in the year 1948—49 to a great extent. This inflicted a great hardship upon the Agriculturists-growers. This rate of freight comes to 25 to 50% (twenty five to fifty percent) to actual price obtained by the Agriculturists or traders. Besides this, on account of the irregular running of trains, the growers have suffered great losses on account of the damage done to the plantains, during transit. Sometimes whole wagons get rotten in transit and the growers are ruined thereby. That apart, the rate of Railway freight that are current from 1948-49 to this day are excessive and especially as compared with actual price obtained in market. This actual cost price and the load charges and the railway freight and commission for sales put together exceed the price obtained in the market. I am also giving below the average price obtained by Agriculturists or traders in Delhi per wagon of plantains.

Average prices obtained by agriculturists or trader in Delhi per wagon:—

		Rs.
1.	1941 to 1945	4,000 to 5,500
2.	1945 to 1950	5,000 to 6,500
3.	1950 to 1951	3,000 to 5,000
4.	1951 to 1952	3,500 to 4,000
5.	1952 to 1955	2,000 to 4,000

The above said prices many times fall short of the total expenses for producing and taking for marketing incurred by the producer. Hence when the railway-freights were enormously increased by the Railway Board in the year 1948—49, the Agriculturists and the Co-operative Fruit Sale societies made several attempts to get reduced the railway freight through several interviews and representations. They are detailed below:—

Deputation consisting of Shri Pataskar, the present Minister for Legal Affairs and then Member of the Constituent Assembly, Dr. Sane—M.L.A. and myself etc. waited upon Shri Santhanam, the then Deputy Minister of Railways on 14-6-49.

Deputation waited upon the Hon. Minister for Railways on 18-10-1950.

3. Deputation of Members of Parliament and representations of Co-operative Fruit Sale-Societies waited upon Shri Karmarkar-Hon'ble Minister for Commerce on 25-11-52.

4. Deputation waited upon the Hon. Minister for Railways on 24-11-52.

5. Deputation of growers waited upon Shri Lal Bahadur Shastri-the present Minister for Railways on 13-1-53.

6. Representation to the Finance Minister in 1954.

Apart from these deputations, I wrote several times on this question to the Railway Ministry to reduce the Railway Freight, but to no effect. I addressed one letter on 21-12-53 on the subject. A letter No. 2108-TC/I New Delhi dated 23-1-1954 (Railway Board) by way of reply was received by me through the Assistant Director, Traffic, Railway Board. The letter says "that the Railway Board have given careful consideration to your suggestion for a further reduction in these rates, but they regret that in the context of the present day cost of operation, they are unable to make any reduction in them".

The reply shows that on account of the increasing cost of operation, the rate of freight cannot be reduced. In the budget speech of this year i.e. 1955-56 the Hon'ble Minister for Railways has stated that the freight of food-grains have been reduced on account of the falling prices of food-grains.

There is no reason why this principle should not be made applicable to rates of freight of plaintains. There are more cogent additional reasons why it should be reduced in case of plantains:

1. Plantains are the fruits of the poor.

2. Plantains are perishable.

3. The prices of plantains have enormously gone down.

4. Plantains used to get market in Pakistan but no plantains are exported from 1952.

5. The rates of Railway Freight were enormously increased in the year 1948-49 by 75 to 100%.

I therefore most humbly request you to go into this question and reduce the rate of Railway Freight to the level of rates in the year 1941-42.

Shri Algurai Shastri, M. P,

New Delhi.

PART 1—A

Q: 1 (a, b & c). The revised classification of 1948 reduced the number of classes from 16 to 15 and introduced the telescopic principle of charge. A large number of station-to-station rates and scheduled rates have been replaced by uniform wagon load scales. Terminal charges have been standardised. The overall effect has been increase in freight rates. Again in April 1955 rates for short distances have been increased. So the traffic upto 300 miles has been badly effected which covers the movements of raw materials.

Q: 2 (a & b). No, there is no sufficient flexibility. The process of applying to Rates Tribunal for reduced rates is a costly one and takes more time. Railways' powers to quote special rates are limited and they are not as free as they were before.

Q: 3 (i, ii-a & b). The number of classes *i.e.* 15 to cover roughly 3,500 commodities is not adequate and does not permit flexibility required. The number of 'legs' and the distance range in each leg is not related to the distance a commodity is expected to travel. The first leg should be upto 150 miles only and subsequent legs of not more than 100 miles thereafter.

Q: 4. There are very few commodities travelling beyond 1500 miles and so no advantage is taken of the concession generally. So the maximum should be reached before 1500 miles.

Q: 5. The terminal charges should be levied separately for the services rendered and the use of station premises like that in foreign countries. Railways should not make profit out of it and should fix charges according to the cost of service rendered. The present charges are not scientifically determined. The short distance charge has no justification in view of the higher rates in classification for distances upto 300 miles. Transhipment charge will be abolished if the gauges are standardised. This charge should form part of the rates and should not be separately levied.

Q: 6. The distance unit for charge may better be kept at 10 miles.

Q: 7. The minimum distance for charge should be as it was at 10 miles.

Q: 8. There is no justification for empty haulage charge and the policy should be uniform on all Railways.

Q: 9. When the number of classes is not adequate full regard to the transportation characteristic cannot be paid for individual commodity and so the number of classes should be increased. The method in principle is good and rational.

Q: 10. The present practice of having one class for a number of commodities of different transportation characteristic is not very rational and so it is clear, that number of classes be increased to permit better classification but it should not be unduly large.

Q: 11. The traffic in wagon loads affords better utilization of Railway assets and so the rates for that should be cheaper. The smalls for 150 miles should be diverted to Roads.

Q: 12 & 13. No comments.

Q: 14. The minimum weight should be 25 seers.

Q: 15. This will not be rational.

Q: 16. Every effort should be made to ensure better utilization of available railway capacity but not by unduly increasing the charges or restricting the traffic but by efficient management and encouragement to cut wasteful transport and wasteful ways of doing things. Some sort of incentive should be provided for the same instead of raising the minimum weight condition or cutting the existing facilities provided to the Railway users.

Q: 17. It is not generally feasible but for export trade in respect of ores and coal such an experiment can be tried. It will jeopardise the interests of small traders who cannot afford to offer train load consignments.

Q: 18. I am in favour of the same. People will not mind paying little more if you ensure better care of their goods and quick transit.

Q: 19. I know only that Railways have not sufficient number of cranes and if they have it will help in speedy loading and unloading of wagons.

Q: 20, No comments except that rates for dry cattle returned to gracing grounds should be lower or concessional.

Q: 21. See reply to Q. 5. Short distance traffic upto 150 miles should be diverted to Road to relieve Railways of the pressure.

Q: 22. Rates by road and river should be cheaper than those by Rail.

Q: 23. It is a good idea except that the traffic for short distances will subsidise the traffic for long distances which will be resented by trade. It may, however, be tried on zonal basis to begin with.

Q: 24. The policy should be to encourage more production of jute in areas even away from Calcutta to meet the shortage and avoid dependence on Pakistan.

Q: 25. There should be a body including all interests concerned and Railways should have the discretion to appeal to the Rates Tribunal if their interests are adversely affected.

Q: 26. There is a very strong case for the same as transport is one of the important

factors in a developing economy and freight rate structure is the effective weapon.

Q: 27 to 29. No comments.

Q: 30. It is both in the interest of Railways as well as the country as a whole to assist development of industries and the export trade by means of cheaper rates according to the capacity of the traffic to bear the charge but such rates should not involve going below the cost of operation.

Q: 31. The interests of the country as a whole, the development of industries the expansion on trade and commerce are the broad considerations. The safeguards for the Railways should be the principle of charging rates 'what the traffic can bear' *i.e.* lower rates on low cost traffic and higher rates on costlier traffic. This will compensate the Railway for lower charge on certain selected traffic.

Q: 32. The interests should be of the country as a whole and sometimes the development of a particular industry may be in the interests of the country as a whole.

Q: 33. Only in case of industries which are basic and would serve the interests of the nation as a whole and on which the development of other industries depends.

Q: 34. I agree that people have to pay for the facilities but it should be in the nature of contribution in cash or kind *i.e.* Shramdan should be encouraged in such areas.

Q: 35. The best policy will be one which serves the industries and trade as per requirements and also ensures sufficient return to the Railways for expansion and providing more facilities at cheaper rates. The adjustment should be flexible without regidity on the dual principle of what the traffic can bear and the cost of service.

Q: 36. No comment.

Q: 37. This can better be done by grant of Government subsidy.

Q: 38. No comments.

Q: 39. There should be a level beyond which, rates should not be increased in case of commodities which enter into the consumption of every one *i.e.*, necessities of life.

Q: 40. I can only say that Railways should not have a 'closed door' policy and should be vigilent to watch the interests of the trade and industry as well as their own. This is what a commercial concern needs and Railways should act like a commercial concern and rely more on better utilization of their assets and efficient management instead of looking to the increase in charges in every difficulty.

Q: 41 & 42. No comments.

Q: 43. For Railways to reply.

Q: 44 & 45. No comments.

Q: 46. No significant change

Q: 47. The policy should be to have Co-operative Marketing Societies and as such the difficulty pointed out will not arise.

Q: 48. Nothing significant so far.

Q: 49 to 53. No comments.

Q: 54. As already stated in reply to Q: 40.

Q: 55. There should be more encouragement for the people to avoid wasteful transport and railway rates should be so framed as to avoid the same.

PART II

Q: 1 (a b & c). It is now observed from the classification of Goods that most of the commodities are provided with Railway Risk Rates but the difference in Railway Risk and Owners' Risk Rates is not commensurate with the difference in risk.

Q: 2 (a, b, & c). No comments.

Q: 3. No comments.

Q: 4 & 5. There has been a marked increase in the amount paid by Railways and in the number of compensation claims. In this connection a reference may be made to Chapter III of *Estimates Committee's Report No. 26* which gives detailed information and the recommendation to meet the situation.

Q: 6. No comments.

Q: 7. This has benefitted the trading public to a limited extent as the onus of proving negligence on the part of Railways fall on the public and it is difficult for them to prove for obvious reasons.

Q: 8, 9 & 10. Out of 3,500 commodities classified only 750 are provided with both R.R. and O.R. rates and the difference varies from 6% to 21%. The future policy should be to quote R.R. rates for all commodities at the level of O.R. rates as the burden of risk is not commensurate with the difference in rates and should be related to the actual risk undertaken by the Railways. The O.R. classification should cease to be a feature of Railway tariff in long run.

Q: 11. Yes, the rates for 'excepted' commodities may be increased, brought under R.R. classification to the extent of increased risk involved therein.

Q: 12. There should be only R.R. rates and Railway should take proper care of goods in their custody avoiding the necessity of being relieved of the risk.

Q: 13. This is not a sound practice to encourage relaxation in packing by granting reduction in rates.

Q: 14. No comments.

Q: 15 & 16. The packing conditions should be to ensure that good are packed in a reasonably goods cover without undue cost to the owner as per the nature of the article. Railways should prescribe suitable packing for different commodities and traders should be encouraged through the help of Chambers and other institutions to use the right type of packing material. If necessary demonstrations should be arranged on the use and advantages of right type of packing.

Q: 17 (a) & (b). It will be in the interests of both the trade and the Railways to provide suitable warehousing facilities for storage of goods prior to despatch or after delivery. For this purpose plots of lands may be leased near stations to the Chambers of Commerce for constructing warehouses and Railways should charge a rent for the same. Such a scheme is in operation at the Calcutta Port where godowns have been rented to the parties by the Port Authorities subject to the condition that the same can be taken back if necessary.

Q: 18 (a) & (b). In my opinion the responsibility of the Railways should continue as that of a bailee because in their present state Railways cannot afford to undertake any more responsibility without raising the Claims Bills to an abnormally high level.

Q: 19. In this connection I would refer you to the recommendations of the Estimates Committee of the Lok Sabha in their 26th Report on Railways.

Q: 20. See reply to Q: 18 (a) & (b).

Q: 21. My only suggestion is that Railway should cut short the delay made in payment of claims and should act more business like. Most of the claims arise because of carelessness of Railway staff in loading and unloading and at repacking points. This should be avoided and supervision tightened at all levels.

PART III.

Q: 1, 2, 3 & 12. I am in favour of having a Standing Advisory body including the representatives of trade and industry to deal with all disputes connected with Railways Freight Rates Structure in place of the present Railway Rates Tribunal which in view of its judicial nature of working cannot be expected to deal with commercial matters in an expeditious way.

Q: 4 & 5. No comments.

Q: 6. In this connection reference may be made to para 34 of the 26th Report of Estimates Committee, Lok Sabha.

Q: 7. The whole affair is very costly and the attempt should be to make it simple and look like otherwise than a court of law.

Q: 8. No comments in view of suggestion to have an Advisory Body.

Q: 9 & 10. No comments.

Q: 11 & 12. See reply to Q. 1 of Part III.

16 (A)–Part I-A. Minimum weight conditions should be prescribed with due regard to the nature of the commodity and the quantities in which individual consignments generally move and can be accommodated in the average size wagon. Bran should have apparently a lower minimum weight condition than the reinforced cement.

The minimum weight conditions for wagons on different gauges for different commodities should be such that complete units of wagons on Metre and Narrow gauge may be utilized by weight conditions prescribed for B.G. wagons to avoid waste on wagons space and similar consideration should be given in reverse direction.

MADHYA PRADESH

Shri C. D. Naidu

Asst. Optg. Supt. (Retired) S. E. Rly,

Nagpur.

PART 1—A

Q: 1(a). The revision was not appreciated by Trade (and industry) as well as the general public due to the fact that it touches the profits of Trade and Industry and thereby did not encourage to develop their business and the consumers had to pay higher prices beyond their means.

(b) There was general appreciation of this measure.

(c) Please refer answer to 1(a).

Q: 2(a). No, as the present freight structure is considered high.

(b) Not satisfactory.

Q: 3(a). Appropriate.

(b) Suitable.

(c) Appropriate.

Q: 4. Yes, the practice should remain as at present.

Q: 5. The principle of levy should be retained as at present.

Q: 6. No change in the principle is suggested.

Q: 7. No.

Q: 8. Empty haulage charge should be abolished.

Q: 9. The method of classification of goods should be retained.

Q: 10. Yes.

Q: 11. The rates for smalls should be as prior to 1-4-55.

Q: 12. No.

Q: 13. Same as item 9.

Q: 14. No change is necessary as "smalls" are dealt with by petty dealers and who are not financially sound.

Q; 15. No restrictions should be placed on "smalls" consignment.

Q: 16. No revision is necessary.

Q: 17. Not practicable.

Q: 18. Any additional charge for special goods services would in fact affect the finances of the Railway.

Q: 19 & 20. None.

Q: 21. Not necessary.

Q; 22. No answer.

Q: 23. No, the present telescopic rates are enough.

Q: 24. Yes.

Q: 25. Government agency.

Q: 26. No.

Q: 27. No answer.

Q: 28. Yes.

Q: 29. Unfavourable. The present detention of 60 hours that a wagon suffers after a run of 120 miles in 12 hours time can be reduced to 44 hours resulting in additional earning of Rs. 285 crores per annum by the Railway. Incidentally this has been the subject matter of correspondence with the Railway Board for the last 2½ years.

Q: 30. Agree vide answer above.

Q: 31: Eventhough Rs. 285 crores more per annum are earned as goods freight charges at present by the Railways, yet this is neutralised on account of a wagon suffering 44 hours extra detention (This has been made clear in my correspondence with the Railway Board).

Q: 32. Yes.

Q: 33. No answer.

Q: 34. See answers to 29 & 31.

Q: 35. Please see answers to 29 & 31.

Q: 36. No answer.

Q: 37. Yes. without raising freight structure.

Q: 38. No answer.

Q: 39. Certain commodities are being charged at rates below cost of transport such as animal fodder etc. But these are necessary for the country's prosperity.

Q: 40. I have been maintaining in my correspondence with the Railway Board for the last 2½ years that the present number of wagons, locomotives sectional and terminal capacities are enough not only to move the present but even 100% more traffic provided the present extra detention of 44 hours which a wagon necessarily suffers is reduced by 21 hours only and offered my services to achieve the same.

Q: 41 & 42. No answer.

Q: 43. Please refer answer 1 (a)

Q: 44 & 45. No answer.

Q: 46. No answer.

Q: 47. Clubbing of small agricultural produce is not practicable. What may be gained at one place may be lost in another.

Q: 48 to 53. No answer.

Q: 54 & 55. The freight structure introduced in 1948 should be kept intact and this structure brings a revenue of about Rs. 150 crores per annum. In addition to this the Railways are also earning about Rs. 285 crores per annum. This amount is unfortunately neutralised on account of wagon suffering 44 hours extra detention after a run of every 120 miles in 12 hours time, and consequently capacities of wagons, locomotives, sectional and terminal are wasted. If not for this waste, we can move not only all the traffic at present offered but even 100% more. The real freight structure can only be framed when this waste is removed. That freight structure only will be on solid foundation, and will prove beneficial to Railways Trade and Industry as well as consumers leading to the economic prosperity of the Country.

MADRAS

Shri C. R. Krishna Rao,

Retired District & Sessions Judge & Advocate,

Madras.

PART III

Q: 1 (a). I am for widening rather than restricting the functions of Railway Rates Tribunal.

I would empower the Tribunal to assign a wagon load rate to a commodity when none has been notified in the Goods Tariff. In complaint No. 7 of 1952 on the file of the Tribunal, reported in 1953 RRT, page 117, the Tribunal held that it had no jurisdiction to assign to strawboard a wagon-load scale. This decision was approved by the High Court of Madras in Writ petition No. 222 of 1954. Traders will be greatly

benefitted if many more commodities than those mentioned in the Goods Tariff are given wagon load scales. The trader should have an opportunity to make out a case and so it is necessary for the Tribunal to be invested with this jurisdiction.

I would empower the Tribunal to grant refunds of excess charges collected on a finding of unreasonableness of an existing rate. I would confine this relief to the complainant and the interveners, if any and in their case the period for which refund can be claimed should be limited to one year from the date of filing the complaint or intervention as the case may be. Others should not be entitled to any refund. The Tribunal should not require any rate to be quoted by the Railways from an anterior date as they have done in complaint No. 2 of 1952 (Engineering Supplies Company, Bombay). No civil court will give a decree directing the defendant to put plaintiff in possession on the date of suit. In all such cases only compensation can be given for wrongful dispossession or dismissal. No Tribunal can "call back yesterday, bid time return."

Under Section 45 of the Railways Act the Tribunal has no jurisdiction in respect of parcel or demurrage charges. The Tribunal has held in complaint No. 1 of 1951 (RRT Vol. I) that it has jurisdiction over wharfage charges. Demurrage charges being akin to wharfage charges, the Tribunal should have jurisdiction in respect of demurrage and parcel charges and decide on their reasonableness on the complaint of a trader. It should also have power to decide on the reasonableness of free time granted to traders.

(b) Not now. Neither the traders nor the advocates who appear for them can usefully assist the Tribunal in the investigation of freight rates. More experience has to be gained in rate cases before the Tribunal can initiate investigations in regard to freight rates.

(c) This question does not arise in view of my answer to (a).

Q: 2. There have been only two applications in these seven years by the Central Government under Section 42 (1); the case of White Jeera Seed, vol. I. page 1 (RRT) and the case of hemp and cotton ropes etc. reported in vol. II, page 1 (RRT). Both these cases were to remove a manifest anomaly in classification and not with a view to raising additional revenue. The present procedure is satisfactory.

Q: 3. If the Central Government raises the classification of a commodity with a view to obtaining additional revenue and the Tribunal reduces the classification because the raising to be unreasonable, there will be a conflict of views which is undesirable. The present procedure has not resulted in any hardship or inconvenience and may be retained.

Q: 4. I would omit rules 24 to 26 relating to the applicant's reply. They serve no useful purpose. In most cases, the reply is a repetition of the complaint. Instead there may be a rule like this: "No pleading subsequent to the answer shall be filed without the leave of the Tribunal." This will provide for cases where the applicant feels the necessity for a reply.

I would omit the provisions relating to appeals. With so little work, only one complaint for the whole of 1955 and one complaint till the end of June this year, all the cases may be tried, by the full bench. Trial by a single judge, besides adding to the expense of the parties, involves delay in the final disposal of the case. There is also the anomaly of the judge who has tried the case sitting as a member of the full bench to hear the appeal against his own judgment. This must be embarrasing both to the counsel and the judge concerned. The proviso in section 46A of the Railways Act may be deleted.

Q: 5. Yes. Several cases have taken more than a year to dispose of. Some changes in procedure can reduce the delay:

(a) At least one month before a complaint is filed before the Tribunal under Rule 12, copies of the complaint should be served on the Railway Administrations concerned.

(b) Within 15 days after service of notice, the respondents shall file their answers under Rule 21. The Railway Administrations will thus have 45 days and not the 30 days now provided by Rule 21, for preparing their answers.

(c) An intervener shall apply under Rule 40 for leave to intervene within one month after the issue of the public notice under Rule 17. In one case the intervener came in more than a year after the issue of the public notice (Engineering Supplies Company).

(d) As soon as the answers are filed, issues shall be framed by the Tribunal and copies thereof shall be sent to the parties. There shall be no special hearing for the framing of issues, nor need notice be given to the advocates or parties. Any party who wants the issues amended or added to or changed in any other way may apply under rule 38.

(e) One month shall be allowed to the parties for filing documents after the issues are framed, and each party shall supply to the other, free of cost, copies of all the documents filed by him in support of his case.

(f) Parties shall be encouraged to serve interrogatories and obtain all the required information before the trial begins.

(g) I do not advocate affidavit evidence except in interlocutory matters. At the trial witnesses should be examined *viva voce*.

(h) The Tribunal should not be a concilitation board as well. In industrial disputes, there are separate bodies for conciliation and adjudication.

(i) So long as the work remains in this condition, a few cases in a year, the Tribunal need not take the summer vacation. If a complaint is filed in February or March, it automatically goes beyond June for trial. It may well be heard in May or June if it is ready.

If the procedure is altered in the matter suggested above, no case need be pending for more than six months at the most.

Q: 6. Yes, the cost is sometimes high. The remedy is in the hands of the party himself.

Under rule 18, a complainant has to pay a fee of Rs. 100/- and a deposit of Rs. 50/- to meet the charges of service of notices etc. This cannot be said to be high. The complaintants high costs are due to the fees he has to pay to his advocates and his specialist advisers. The complainant seeks out usually a leader of the Bar, and his retainer and refresher and the juniors' fee account for the high cost. As Railway law and railway rates structure are technical subjects the senior advocate requires the help of a rate consultant and perhaps a statistical expert. They have to be paid. There are not many advocates in India who have specialised in Railway law as the late Mr Barwell had done. Even these specialist advocates will be costly.

The game, however, is worth the candle. The issues involved are sometimes worth several lakhs. In a recent case the complainant computed that if he got the rates he wanted he would save about Rs. 1,20,000 annually. He may well consider that an expenditure of Rs. 20,000 is well worth while to obtain the desired result. He cannot be blamed if he engages an advocate of large experience great talent and high reputation to win his case for him. In England in the case before the Railway and Canal Traffic Commission, the ablest advocates were engaged and the parties always companies, paid high fees. There is really no ground for complaint.

Q: 7. The questions involved in a rate case are too technical and complicated for a trader to present them in a coherent manner. Nor is he equipped with the knowledge necessary to adduce all the relevant evidence. Mr. K. C. Srinivasan in chapter XXIII of his book on the Law and Theory of Railway Freight Rates has dealt with the procedure and proof in Rates cases. How many traders can procure and present the facts mentioned in paragraphs 2303 and 2305 of the book? Even lawyers after weeks of preparation find that they are not quite at home in what Greer L.J. called "a dark and gloomy branch of the law" (XXI R & C T C, page 126). One must not expect parties to present their cases properly without the help of trained lawyers.

Q: 8 & 9. The Tribunal may continue as now constituted. No change is necessary.

Q: 10 (a & b). The present system of having 2 assessors from each panel and eliciting their opinions when the trial is over serves no useful purpose. I would suggest having two permanent assessors one senior retired Railway Officer and a businessman chosen by the Chamber of Commerce to sit with the Tribunal in all cases and discuss with its members all aspects of the case from the point of view of the Railway and the trade. They need not give any opinion on the issues. The Tribunal after discussions with the assessors will frame its judgment.

Q: 11. I do not think any change such as is envisaged in Q: 11 is called for.

Q: 12. Questions of Railway policy should be laid down by Parliament or the Central Government. The Tribunal should not concern itself with questions of policy or social good. It should address itself only to the reasonableness of rates judged strictly from the transportation conditions. That the Tribunal has given relief to traders in several cases shows that there is need for a judicial body like the Tribunal, even when Government owns all the railways.

सत्यमेव जयते

Shri G. Runga Raju,

Madras.

GENERAL

The Secretary was good enough to hand me a Copy of the Questionnaire Part I-A & B issued by the Railway Freight Structure Enquiry Committee and on going through it, it is noticed that Question 5 has reference to terminal, short distance and transhipment charges. Allied to these charges and forming part of the railway freight structure are the SIDING CHARGES, DEMURRAGE and WHARFAGE, with their incidence on the overall freight payable on merchandise traffic, by goods train. When the enquiry was made in regard to this structure in 1948, the Siding Charges, which were in vogue over the Railways, before regrouping, were not examined and they continue to be operative, at present. There is considerable variation in them and they need standardisation, on agreed principles. Again, as regards Demurrage and Wharfage, reference is invited to Rule 88, page 35 of IRCA Goods Tariff No. 29, in which it is stated that the actual wharfage and demurrage rules locally in force on different Railways are published in each Railway's Tariff. And the Tariffs of individual Railways, comprising the present Zones, have not yet been incorporated completely in a single publication, for every Zone. When the revision of the entire freight structure is now under examination, it seems to be appropriate that the ancillary charges, entering into the freight may also be examined, with a view to place them on a uniform basis. The free time for reckoning demurrage at Assisted Sidings has variations and Messrs.

Kontas Industries Ltd., Dehri-on-Sone were the Applicants in Complaint No. 3 of 1953 (1954 RRT) before the Railway Rates Tribunal, in respect of the alleged discrimination shown by the former Eastern Railway, Calcutta, against them, as compared with Sone Valley Portland Cement Co. etc. The decision of the Tribunal is questionable, as invariably, it is so in cases in which "Facts" have to be examined by them and I shall go into this and other cases fully, on receipt of the Questionnaire relating to the Tribunal. For setting at rest such controversy on issues, which appear to be trivial, it is desirable that the Committee takes cognisance of demurrage and wharfage charges, including thier Rules. It may be argued that they are largely subject to local variations; but the basic rates and rules admit of standarisation and the authority to vary them for any reason may be retained by the Ministry.

There is also another subject, in which the Ministry for Railways and the Union Government are concerned: it is in respect of charges on military traffic. Certain concessions in fares and freight are allowed for this traffic under the Military Tariff, conveyed by passenger and goods trains. The terms of reference of the Committee are confined to goods traffic and certain quantity of military traffic moves by goods train. This differential basis of charge is in vogue for a long time; but after Independence and the formation of a modified federal set-up of governance, this discrimination assumes a different aspect. It is not only a concession shown by the Union Government in favour of one of its own Department as against the other Department, under its charge, and what is more, as against the States, Part A, B and C, on whose account considerable quantity of goods traffic moves. This discrimination offends Section 28 of the Indian Railways Act, at any rate constructively and its constitutional propriety, is also questionable. It is, therefore, suggested for coniside-ration that the need for continuance of this concession be examined by the Committee. I may add that materials required for the use of Railways were carried at concessional rates for a long time and from 1950 they are charged at public rates, pro forma. It may be observed that in the United Kingdom, military traffic by goods train is chargeable at public rates and concession for baggage etc., by passenger train is allowed under the Cheap Trains Act 1883, on any occcasion of public service.

I have taken the privilege of addressing you, with the request that these subjects may also be included in Supplement to the Questionnaire Part I-A & B for consideration by the Committee.

As regards the terms of reference of the Committee, they are inadequate, in so far as they are confined to movement of merchandise traffic by goods train, without taking into account the movement of similar goods by passenger train, When an expenditure of about Rs. 1,400 crores is visualised, under the Second Five Year Plan, the propriety of having an enquiry in such a truncated form remains to be justified by the Union Government. I may remind you in this context of my Note on this subject; as also on the need for revaluation of the Capital assets of Railways in view of the recent discovery of overcapitalisation to the tune of Rs. 100 crores or roughly 10% of the Capital at charge, for determining the Dividend payable to the General Revenues, with greater precision and for establishing before a Tribunal, that the rates charged by Railways are reasonable.

In the debate in the Rajya Sabha recently, about the working of the Indian Airlines Corporation, the Minister for Communications stated that the question of Air Fares was referred to the Air Traffic Licensing Board. It would have been more appropriate if the entire passenger fare basis, by rail and by Air had been referred to the Railway Freight Structure Committee and that would have been another step in the co-ordinations of transport, followed later by the transfer of Civil Aviation to the Ministry for Railways, as in the United Kingdom, where the Minister for Transport has Civil Aviation also under his charge.

MYSORE

Sri Kanakasabapati Pillai,

Bangalore.

PART I-A.

Q: 9. ***Gingelly Seeds*** (Page 206 of Goods Tariff) have been classified under "Oil Seeds" on the ground that oil is extracted from the seeds. This oil is used in Southern India for bathing and cooking purposes while in North India for cooking purposes by the natives of the Country and for both the purposes by the South Indians occupying the whole of North India by profession or business. It is nowhere used for any industrial purposes, it seems.

In the Company management the commodity was classified under the main head "Grains, pulses and common seeds" which are now subdivided into 8 main heads as grains, Oil seeds and seeds common. Oil seeds in smalls are charged at a higher 4th

class rate and in wagon loads at WL/H scale.

In view of the grounds stated supra it is desirable to shift the commodity to "seeds common" whose scale is midway between grains and oil seeds.

Q: 16. ***Minimum weight conditions:*** Page 29 of Goods Tariff (Clause 7). This clause is unreasonable and illogical. *Exempligratia* sub-clause (xi) states that for despatches from M.G. to M.G. via B.G., the notified B.G. weight condition applies on a 'C' basis. We shall take the commodity 'Grains, whose metre gauge weight condition is W/300. This should reach a M.G. Station *via* a Broad gauge which is intermediate or enroute. It is charged for the B.G. minimum weight of 500 maunds *i.e.*, 200 maunds more. The original weight of 300 maunds is not spurted to 500 maunds when it passes through some broad gauge portion enroute. It is to be noted here that at the time of transhipping into a Broad Gauge wagon the commodity is loaded with other goods. The whole clause requires revision.

Hence the old principle and rule "Forwarding minimum weight condition applies through out" seems to be desirable. In this case the rule will be applicable to all commodities falling under the wagon load scales.

Q: 55. ***I.R.C.A. Goods Tariff No 29 - Title page.*** At the end of the title page appears "The General classification of Goods herein is published with the authority of the Railway Board."

The above clause appears in *all* the previous issues, the I.R.C.A. as its title tells seems to be an advisory body and not a statutory one. The General classification of goods printed in the I.R.C.A. Goods Tariff is always prefixed by some chapter on "General Rules". The above indicates that the General Rules have not got the sanction of the Railway Board.

As a matter of fact when the General classification of Goods was first sanctioned by the Railway Board, it was stated in the order that it must be distinctly understood that while sanctioning the General classification, the Railway Board left the General Rules to what they were worth. This order was filed by the Government in 1922 in the Surcharge suit before the District Munsiff of Satur, Ramnad District, Madras State: this will be available now in the Office of the Railway Board as well as in the I.R.C.A.

It is not understood why not the General Rules also be published with the authority of the Railway Board? In this case the Railway Board may consider the reasonableness, validity and the legality of the Rules and then accord sanction.

Rule 23 of I.R.C.A. Goods Tariff No. 29 Routing of Goods Tariff:—

(2) "Where a sender has endorsed a forwarding note that goods should be despatched by a dearer route and the goods are carried by that route, the consignment will be charged by that route, ***even though an endorsement to the effect that the dearer route was selected by the sender does not appear on the invoice or is defective"***

For some years past the above portion in italics is in force and being operated on by the following procedure which is very troublesome to merchants and appears to be unreasonable as shown below:

(1) When any consignment is booked by a dearer route, and the Receipt of the Invoice does not bear any endorsement as "dearer route selected by sender, the destinatian Railway on getting any application from the parties to retain freight by the cheapest route and allow the refund due, refer to the despatching railway to ascertain whether the Original forwarding note tendered by the consignor bears any selection of dearer route. The consigning Railway could not furnish the information forthwith since they must call for the F. Note from the booking station which is sometimes far off, verify and then communicate to the destination Railway. This naturally involves considerable time—many months and in certain cases one or two years and even three years in rare cases. Consequently services of reminders from the trade are being replied as "Still under Correspondence with foreign Railway" and cases are not disposed of until and unless a reply is received, irrespective of the time taken. In some cases the reply will be that since enquiries reveal that senders have not specially selected the booked dearer route refund is allowed by the cheapest route while in most cases refund disallowed by saying that the consigning Railway advises that F. Note shows the special selection of the booked dearer route. In this connection an idosymcratic procedure followed by the Southern Railway is worth noting. A receipt would show against the *via* column a dearer route, an endorsement also would appear on it as "dearer route selected by sender". Here the party will be eager to know whether there is any route endorsement on the F. Note and request the Railway to refer to the sending railway to verify the F. Note by applying the Rule in question *vice versa*: the railway forthwith replies that in the face of an endorsement on the R.R, a reference to the sending railway will be superfluous. This clearly shows that the rule is *unilateral.*

(2) The F.A. & C.A.O. of the destination Railway while in cases where the Via Column on the Receipts show a dearer route and any endorsment to this selection is absent on the R/R always rates by the cheapest route only and apportions to the foreign railways accordingly: he does not here consider the F. Note. This goes to say one proportion to foreign railways and another proportion to parties applying for refund. Does this not tantamount to preferential treatment in the days of democracy and constitution?

(3) The very expression "even though..... .....defective" underlined in the Rule in dispute gives ample room for the consigning clerk who is different from the F. Note clerk to be *reckless* in copying the route remarks on the R.R; if there be any on the F. Note. A railway receipt is a document under the Negotiable Instruments Act; it is not understood why should it not be relied on only one point—the route remark. In other words it may be said that the destination railway has no confidence only over one point on the booking clerk who represents the despatching railway.

It is hence respectfully submitted that the underlined portion in the above Rule 28 (2)

or the so called illogical phraseology may be substitued by the following:—

> " Provided there be a clear endorsment on the invoice to the effect that the booked dearer route was specially selected by the sender and not otherwise."

This means that if there be no endorsement on the invoice freight charges must be retained by the cheapest route in the manner of apportionment given to foreign railways and refund allowed to parties if available. This was the age-long practice during the period of company management over all the Indian Railways.

Sub-Clause (ii) of the terms of reference:

L and U (loading & unloading) by owners: This operation is being enforced even on consignments booked at Railway Risk and charged at wagon load scales. In the company management it was not so. There is a great advantage if these operations be performed by the Railways themselves of course by levying an extra charge of 2 pies for loading and 2 pies for unloading on goods which are at present liable to the said 'L' condition. Compensation amounts will be considerably reduced? How? Sending goods clerks will be careful in supervising the loading in regard to the number of articles or bags and their condition (packing, stitching etc.); the responsibility must be thrown on the shoulders of the transhipping staff also who *must* certify on the junction invoice that the transhipment was effected carefully as per Rules. Equally at destination the unloading railway servants will be careful since they will have to perform their duty in the presence of the un-loading clerk or station master in the case of small stations.

No need to appoint extra staff since in almost all the goods sheds loading and unloading clerks have been employed. Even if perhaps any additional staff be required at some big stations, it would be nothing when compared with the lakhs of rupees which are being paid annually as compensation towards loss of goods occurring at the start (during the interval between loading and sealing), at transhipments and even at destination stations some times. In this case the so called unnecessary and troublesome remarks on Receipts like "L & U" by owners, bags not counted by the railway, loading not supervised, one wagon said to contain 200 bags and similar ones would not find space. Hence the 'L' condition now appearing in the goods Tariff against certain commodities, requires removal.

It would also be advantageous to the Railways if some kind of legal responsibility be put on loading clerks, transhipping clerks and unloading clerks whenever any loss of or damage to goods is proved to have occurred owing to the wilful misconduct of the above mentioned staff.

Railways Act S. 55. This section authorises a railway to collect undercharges after delivery of any consignment. But the difficulty is that the period of limitation is not worked out in the section. Taking advantage of the lacuna in the section, Railways are collecting undercharges even one year after delivery of a consignment. Here the pity is that the consignee has to pay it although he sold the goods long before the debit on the basis of the freight paid and without dreaming any undercharge at any time. Consequently the Committee is requested to recommend to the Government to amend the section suitably in such a way that the interests of both the Railways and the merchants are not affected. A fair suggestion may be two months after delivery.

RAJASTHAN

Shri Mangilall Gupta,

Railway Claims Adviser,

Nasirabad.

PART I-A

Q: (3) (i). There is a vast disparity between the Wagon Rate for Sugar and consignments in smalls considering the rates quoted for jaggery i.e. Wagon Rate of jaggery Ex Bisalpur to Nasirabad is Rs. 1-0-1 WLG rate for 442 miles while 3 rd class is Rs. 1/7/9 per md. Rates for full wagon is 68 per cent of consignments booked as smalls, while in case of sugar at Wagon Rate 3 rd comes to Rs. 1/7/5 per maund and 1/9/6 per maund at 4th class rate i.e Rates for full wagon is 92 per cent. of consignments booked as smalls.

From the above it will be observed that the concession to the wagon load traffic of sugar is very small in comparison to jaggery and should be reduced. Since the consumption of sugar has increased in country considerably as well as there were station-to-station reduced rates previously, this requires consideration.

Q: 5. Terminal charge at the rate of Re. 1/- per maund on a wagon is levied in case a wagon is booked from A station to B station and the same charge is again levied on the request being made by the consignee at B station. Since no fresh services are rendered by the B station no terminal charges should be due. There should be a clear ruling to this effect to illuminate the necessary staff.

Q: 9. The classification for each white, yellow, red and any kind of earth which is dug from the earth is very low grade traffic and classified in class I but the Railway stations are charging them at higher rates treating them as colours A and B at 5th and 8th class which absolutely is irregular. Similarly Moonj which is a low grade traffic is taken wrongly as Ban and charged at 7th class taking as twine (string) and this requires clear classification and should be charged at 2nd class as stated in IRCA Goods Tariff No. 29.

Khandsari has been clearly classified as jaggery 3rd class at Page 296 in the IRCA Goods Tariff No. 29 while stations are charging this traffic as sugar at IVth class. There should be a clear classification for this commodity.

Commodity.	Charged at present.	Suggested.
1. Edible Oils	4th Class	2nd Class
2. Vegetable H. G. Oil	8th ,,	4th ,,
3. Wool and Cotton full pressed ...	8th ,,	6th ,,

Q: 18. To start a Goods Express Train will facilitate the quick transportation of traffic and will benefit particularly to the great merchants during the period of fluctuations of market. The rates for this kind of traffic may be fixed at 10% to 15% over and above the ordinary rates.

Q: 28. The cocoanuts, Gunny bags, and iron traffic to this area is moved from long distances over 1,000 miles i.e., from Madras and Bengal area. This requires special reduced rates in wagon loads considerably.

Q: 33. In order to develop the Stones, Firewood, Bamboos and Ballies industries the rates for these commodities may be reduced to some extent to have more traffic.

Q: 55. It is being noticed that many consignments are being booked by different Railways during restriction periods by circuitous routes but no definite and clear remarks are obtained as required by rules from the consignors to this effect nor they are shown on the Railway Receipts. This causes great confusion in charging the freight rates. I suggest that strict ruling over this point, i.e., to have the remarks on the Railway Receipt be made. In absence of which freights for shortest route be recovered.

There is a great discontentment amongst the merchants in connection with compensation of their goods delivered short, damaged or lost and which are settled considerably late and over charges which remain unrecovered for want of correct information from the Railway authorities at different stations. To remove this it is suggested that Railway Claim Agents Advisers and Vakils who do the the business should be licensed like brokers doing the railway dealings and they should only be permitted to see the Railway records at stations if necessary in order to avoid unnecessary references and delay. This will illuminate the Railway revenue as well.

WEST BENGAL

Prof. H. D. Ghosh, M. A.

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PART I—A

Q: 1. The rate structures as introduced from 1948 in Indian Railways have considerably upgraded the rate levels.

It is also true that adoption of telescopic rates on continuous mileage system in through booking have a reducing effect on the through traffic for long distances, but this system was long overdue.

Q: 2. The present rate systems on Indian railways have become rather rigid their former flexibility being lost. It is necessary that special requirements of industries and trade should be given sufficient considera tion. Such requirements vary.

By drastic cancellation of special rates under Governments' new policy since 1948 cases of "undue preference to localities" have been checked no doubt but many different problems of "unreasonable rates" have unfortunately grown instead. With regional state railways as now the scope of inter railway competition has been very much limited, but there will now be cases of competition between road/rail for short haul

traffic or between rail/river or coastal water services. Through rail rates will be supplemented by rail-road, or rail/cum sea rates, for which necessary special rates have now to be provided.

Q: 8. The numbers of existing class rates or wagon load schedule scales are rather inadequate for requirements of this vast country as providing "reasonable classifications" for each traffic. If large expansions are not immediately possible adjustments of rail charges by means of special rates are a real necessity.

The existing legs for the class and wagon load scales are generally satisfactory.

Q: 4. Equal rates (that is blanket rate system) above 1,500 miles as now in force are also generally satisfactory. The present system does not seriously affect railway administrations' revenue, as traffic beyond 1,500 miles is proportionately insignificant. The system of maximum charge fixed to a rate inclusive of the coal rates may also be continued. It does not affect considerable revenue of the railways.

Q: 5. Additional terminal charges to rail rates have some justification. The practice is in existence on British and Indian Railways for a considerably long time. The Indian Railways Act (1890) Section 45 only permits charging of "reasonable terminals."

Short distance charge needs abolition. If possible additional transhipment charges at "Break of Gauge" points may be abolished.

On the subject of additional terminal charges it appears that one anna per md. charges in case parties perform loading and unloading are rather exorbitant. The terminal charges may be reduced to 0-0-8 per md. in such cases and 0-1-0 per md, when the railway administrators have to shoulder the additional responsibilities.

Average rail charges (inclusive of terminal) on short distance traffic will be fairly reasonable in relation to costs of working. If rail charges for short distance traffic be made artificially high and there are questions of more time, as well as less individual care, the traffic will naturally be inclined to go to alternative road services.

It is also noted that transhipment points are source of delay, damage and thefts. If the trade is made to pay additional charges as now, there must be special arrangements to check them by provisions of additional inspection of unhealthy practices.

Railway Administrations are expected to give "reasonable facilitles" to traffic *vide* Section 42 of the Indian Railway Act. This matter must be thoroughly investigated by an expert committee dealing particularly in questions of costs for such additional services.

Q: 6. The traffic of Indian Railways is not of very long distance requiring any change of the present limit of one mile. Calcutta to Bangalore city is 1,000 miles, to Bombay, and to Ghaziabad 900 miles. While in U.S. the distance between New York and San Francisco would be about.....miles. To Chicago only the distance is..... miles.

Q: 7. The system of changing on minimum distance for 20 miles as now should be discontinued, the Railway Board having already agreed to a very healthy practice of mileage scale of charges in "through booking". The entire railway system is under state management, being regrouped under regional basis. In regard to local booking a "minimum distance" for purpose of rail charge may be continued.

Q: 8. There must be one "uniform system" regarding rail charges on "tank wagons" on the state managed Indian railways.

With a tank wagon having an average capacity of 500 mds. to carry vegetable oil, only big manufacturing industries can employ them. Required to sell their goods under acute competition alternative use of his.....is extremely costly. Tank wagons—therefore under the heading of "reasonable facilities" which the Railway Administrations are expected to provide, and for this purpose as the oil industries grow in magnitude and more supply of tank wagons from Railway Board and allotments to individual rail systems is of utmost importance.

Tank wagon is a "special wagon supply" for "which empty haulage charges should never be made". Collieries on other manufacturing countries do not pay extra charges for "empty haulage" of wagons supplied; and "Tank wagons" for oil industries should be treated on the same basis. If there is a more supply of "tank wagons" the question of "empty haulage" would not be so difficult as now.

Q: 9. Grouping of commodities on the basis of equal price and equal transportation conditions is accepted as most rational method of Railway classifications.

It has been pointed out under item 3 of Indian Railways is rather inadequate for traffic requirements for which proper grouping of commodities is very difficult to secure.

With new commodities appearing it may be necessary to work upon a more "special rate system." All such "special rates" as supplement to existing classification should be specially scrutinised by the "Railways Rates Tribunal" following practices in U. K.

Q: 10. The matter has been explained in reply to questionnaires items 3 and 9.

The number of class rates and wagon load scales are quite inadequate for traffic requirements of the country. There are only 15 classes for instance prevailing on Indian Railways as compared to 21 classes for a small country like England. It is not overlooked that there are 12 more additional wagon load schedule scales applying to Indian Railways. The scope of special or exceptional rates has been drastically restricted. In order to give proper facilities to Indian industries and trade "special rate system" must be restored to meet new circumstances of traffic (vide replies under item 9) as it will not be practicable to continually expand classification to meet exigencies of trade.

In U. S. there is a persistent cry to indroduce uniform classifications but it has been possible to introduce the system so far

because of the varied geographical and trade conditions of the vast American continent.—*vide* Dr. Bigham principles and problems of Transportation. It has been estimated further (vide D R Ripley Railroad rates and regulations) that more than 75 per cent. of the goods traffic in U. S. A. move at "special rates". Continual charge of Tariffs is not a healthy scheme, as prevailing in America companies railways, but some expansion of the existing rigid frame work of rating is really desirable.

The present classifications of goods should be raised to at least 20 for smalls and 20 or 25 for wagon load movements. It is anticipated that with the 2nd Five Year Plan functioning more goods will move in full wagons and question of distribution of goods (whether in full wagons or in smalls for short distances) will be far more intricate for which problems of class rates, wagon load scales as well as restoration "to special rate" system will become very important. Special rates as will help "production" or "distribution" in countries national economy are only desirable to provide, as against private advantage to a particular applicant engaged in industries or trade. "Special rate" is a very "delicate weapon" to develop or kill a country's national industries or trade, and in all cases therefore the "Railway Rates Tribunal" (or Transport Board) must be informed following practices in U. K. In a number of matters special sanction of the Tribunal should be made necessary to ensure that a fair treatment will be made.

Q: 11. The present system between charges for carriage of class and wagon load rates may be continued. The class rates applying generally to smalls have been recently revised and those for short distances have been raised. It is rather difficult in practice to strike out a fair balance between charges for smalls and on goods moved in large quantities. Continual shifting to meet new circumstances or lost capacities of rail systems and trade is also not possible only possible methods appear to be restoration of interim measures of "special rates" which can be cancelled or provided according to emergencies of trade.

Q: 12. The present uniform rate of the minimum of Rs. 1-12-0 may be continued. Variation of charges for each individual consignment is likely to cause a great deal of confusion.

Q: 13. For similar considerations only the minimum charge of Re. 1-0-0 per consignment may also be continued.

Q: 14. The suggestion made appears to be quite reasonable. Carriage of very small packages by goods trains should be discouraged, and minimum charges for carriage by goods should be raised therefore to 15 or 20 seers.

Q: 15. Grouping of miscellaneous packages is likely to create complexities. If however, the system is still resorted it is necessary to issue clear instructions by the rail system of the type of goods as miscellaneous, packages that may be grouped and perhaps for fixation of a reasonable rail classifications applying to miscellaneous goods not exceeding 20 seers.

Q: 16. It is estimated that average capacity of a B.G. Wagon is 500 as against 300 maunds for a M.G. wagon and desirable therefore that wagons are fully employed.

In that case it may perhaps be necessary to raise the minimum load most of which has been fixed on the basis of 400 maunds B.G. as against 300 maunds M.G. To alleviate hardships of trade (or small agriculturist) ware-house facilities and clubbing system or even application of per consignment methods to a rate will be good remedy.

Adoption of the present class rates to wagon load traffic, and levy of extra charge for movement of smalls will only increase costs of Transportation for industries and trade.

In regard to rail charges operating efficiency of railways is perhaps more important factor, and whole problem of rating must be examined from this view point. Unless operating costs can be reduced consistent with maintenance of maximum efficiency no amount of recommendation will be of any use.

To ensure better loads "provisions of lower scales of charges" in excess of 500 maunds for a BG and 300 maunds for a M.G. wagon appears to be very desirable.

Q: 17. With developments of heavy industries in this country under Second 5-Year Plan desirability of additional 'train load rates say of Coal, iron or other minerals, ores, sand" as raw materials of grouping industries appear to be necessary. Here again there are questions of costs or conveniences of getting full trains of similar commodities for which operating department of railways has to be consulted. Generally speaking additional train load rates for a few commodities may be introduced as an experimental measure.

Many middle sized industries such as flour, oil or C.P. Goods will possibly be more interested in a system of rebates on their rail freights paid every year.

Q: 18. A proposal to introduce a system of "express goods service" and charging reasonable fees for better facilities given to transports of goods (particularly of perishables) will be more in the interests of trade.

Q: 19. Crane charges as now under rule 26 (2) and 27 of the I. R. C. A. Tariff No. 29 appear to be rather prohibitive. Loading and unloading facilities to be offered by rail administrations fall under Sec. 42 of the Indian Rlys. Act. The charges should therefore be as low as possible and for this purpose the matter may be placed under investigation of an expert committee. In case the charges may be further reduced, there will be be possibly more demand of crane services.

Q: 20. No suggestions to make.

Q: 21. It will be preferable of the rail administrations as not as a rule carry short distance traffic (up to distance of 50 miles) where alternative road transport is available.

The rail road administrations may provide for their own road vehicles or come into some agreements with more reliable companies employing road services.

In Indian Union there is not much availability of navigable water ways (except Brahmputra in North Assam area). In view of avoiding uneconomic Transportation, the river services should be under public control in the same way as rail systems are controlled. Through rates (by rail/river) should be extensively used as well as rail-cum-sea transports. Facilities may also be given to all water movements of bulky goods where speed is not a primary consideration. More use of coastal shipping lines as well as of the road motors (for short distance traffic) will relieve strain on rail system which is likely to be very heavy as the Second 5 Year Plan matures.

Q: 22. In a number of cases road transport rates may be cheaper because of the availability of return loads. On general principle railways should not compete for similar traffic, road, rail and water ways should be employed in areas for types of traffic where a type of service indicated is most suitable.

Road services as appear are more quick and in a position to give individual attention to goods. Therefore valuable commodities susceptible to losses in handling or to direct and indirect thefts are more suitable for road services particularly in local distribution. In India there is no provision of canal transports. Proper maintenance of canal is not cheap as generally believed but this matter has no interest in transport problems of India. In cases involving transhipments or wagon shortage as from Calcutta to Northern Assam the river transports are found to be more convenient for trade to employ than the alternative rail transports *vla* Moniharighat ex-Calcutta.

Q: 33. Provision of freight pool as suggested may cause grievance to trade under "undue preference" and the system should therefore be avoided as far as possible. In some cases it had been a practice of rail administration to provide a full wagon composed of loads different types of packages to a specific point in consideration of a lump sum charge in competition with road services. This system does not appear to be "very fair" and should be discouraged therefore. The rail administration will have traffic enough to carry under two 5-Year Plans and it will not be fair to come in acute competition with road services in this way. Freight pool system on zonal basis may create further complications. The road services are not provided with elaborate systems of classifications as employed in rail systems.

Pooling of rail freights from adjoining areas of supply on the sale commodity to principal markets like Calcutta or other industrial centres may be tried under systems of "rate grouping". There may be difficulties in adoption of such system and for this purpose the different manufacturing interests must be consulted.

Q:24. For short distances as from Hooghly or Howrah districts jute to Calcutta road services will be very much appreciated. If railway administrations provide their own road services themselves the agriculturists will not grudge payments of a little additional charge in consideration of other conveniences such as quick delivery and less susceptibility of pilferage. Purnea district jute or the production of Murshidabad district, may be imported to Calcutta at special rates, for which prices at sources of supply and quotations of Calcutta price will be reviewed by the rail administrations.

In days of United Bengal jute was coming to Calcutta by E. B. Railway and the River Services at mass scale rates lower than the classified types rates. There should not be any difficulty therefore to introduce a system by which long distance jute traffic from different parts of Indian Union can be brought to Calcutta.

Q: 26, 27 & 28. Not in a position to give definite replies in absence of necessary materials. Short distance charges should be entirely abolished (*vide* item 5) inclusive of terminals the average rail charge per unit will be quite high.

Q: 29. The adoption of principle of telescopic rate on continuous mileage system has reduced rail charges for long distance traffic (vide item 1.)

Industries at the sources of market places are sometimes handicapped under the new system of rating carriage of manufactured products involving long haulage at a comparatively reduced cost benefits the trade (even the consumer).

Abolition of special rates for raw materials of industries have put the latter in difficulty as requiring them to pay higher rail charges, If it be not possible to be provided with special rates for marketing their products under the new system transport costs are increased in consequence which will affect adversely the interest of manufacturers drawing their raw materials from such sources.

Special rate system should be restored therefore but quoted after sufficient caution and enquiries in the interest of economic development of the country as a whole the manufacturers trade and consumers. Random quotation of rates on requests of a manufacturing or trade interest is not advocated.

Q: 30. During company's railways there were large provisions of "port rates" in consideration of inter railway competition. "Port rates" were given also to assist foreign trade interests, but at the moment after Indian independence, and creation of regional state railways similar port rates are no longer necessary. Water competition was another consideration for provisions of uneconomic rail rates and raising of rail charges to inland. This unhealthy practice should also be not continued. Different forms of transports now under strict public control are expected to quote rates in the interest of Indian industries, trade and consumers. Transport charges should be now framed and quoted from different angle altogether. It is expected of the state railways to encourage foreign trade in Indian interest and frame special rates with the financial interests of the Government of India.

Q: 31. Suggestions made appear to be very reasonable. State railways are really for economic developments of this country and their freight policy should be framed as will give maximum assistance to developments of inland and foreign trade. Regarding India's foreign trade it should be developed in the country's own interests.

There should be safeguard that Indian Governments' finanoes on railway investments are not damaged on the whole.

Q: 32. Railway freight structure should be utilised in the interests of India's essential industries, say paper, cement, Iron & Steel, sugar, flour, sheet glass industrial and edible oil or chemical manures.

Q: 33. Principles followed by Tariff Board may be generally adopted in assisting the new industries by means of concessions on full freights. Indian Government has already declared that the country must be made self sufficient in respect of iron and steel, paper, cement etc. and incurring huge expenditure by starting new industries (iron and steel, ship building etc.,) and giving sufficient financial assistance to a number of industries—paper, cement, sugar etc. for purpose of necessary expansions.

Q: 34. Proposal to charge Rail freight on inflated mileage system for limited periods appear to be fair.

Q: 35, Minimum scales of rail freights may be fixed on average costs of carriage such costs of carriage are variable with improved methods of railway working, the costs of carriage per unit may be reduced. It is therefore desirable to make periodical revision of the effects of rail freights on selected traffic to ascertain average costs of carriage inclusive and exclusive of capital costs.

Q: 36. The railway administrations are expected to maintain standard service out of their revenue from passenger and goods traffic regarding suitable extensions of facilities to meet requirements of growing industries (or trade) special Government assistance may perhaps be necessary.

Q: 37. For distribution of the products of cottage industries road services appear to be more suited.

Q: 38. If ceiling prices on many industrial products are fixed, rail freights for indents of raw materials or for marketing should be controlled. There may be cases, where transport costs are a big share in costs of production and marketing.

Q: 39. As a rule rates of charge should not be below costs of transports, but exceptions may be necessary in greater interests of nation building.

While on the subject of "economic rates" for commodities, it will be noted that Indian rail administrations have been made responsible for heavy annual contribution to the state. This responsibility means "Tax on transports" and will be of the nature of "sale tax in commodities" borne by producers and consumers of goods. As long as this system of contribution will be continued high or unreasonable rail rates have to be maintained for in excess of the actual costs of transports. If it be not possible to make any alteration of the system for budgetary considerations of the state, a fixed ceiling price on different classifications as now be continued, and problems of "reasonable rate" for a commodity may be far less than the maximum or ceiling price. It has been stated that costs of transports can be reduced with better "operating efficiency" methods, resorting to "transport co-ordinations" or increases of Traffic density.

Q: 40.....drawn of the low rated and high rated traffic increasing under Second Five Year plan necessity for additional expenditure on improvements of ..... etc. is generally a "fair ..... ".

1. To maintain financial stability of railway administration it is suggested that present obligations of railways to heavy annual contributions should be substantially reduced.

2. Care should be given to improve the system of railway working as can keep down operating costs to minimum with maintaining standard of efficiency.

3. Losses in transit due to negligence and misconduct should be kept down to absolute minimum for which a control on outdoor staff handling the goods must be effected.

It is anticipated that as increases in abnormal quantities there will be greater scope for similar "negligence" and misconduct of the staff for which timely preventions must be taken.

4. Corruptions on railways both in respect of passenger and goods traffic must be checked as far as possible. We hear so much of " ..... " or forged claims in which subordinate staff of railway administration are often implicated.

5. Tendencies to "uneconomic loading," congestions at the treminals and transhipment points should be spotted with much greater care and checked.

Q: 41. There are many considerations in favour of state rates no doubt—as will lessen economic unrests, to make the rail tariff less voluminous and less complex. Less economic wastes of transportation for less burden on local constituences of railways or inelasticity of industrial conditions, but there are other considerations in railways rate making which cannot also be overlooked.

If commodities like wheat or seeds grown in abundance under 2nd 5 year plan it may be necessary to explore methods by which their manufactures may be exported. Flour, edible oil, or Hydrogenated oil products have already a fair market in adjoining Asiatic countries, as well as in Europe and Australia if only "standard of goods" with their price level can be maintained.

It is true that rail administrations cannot be expected to investigate the manufacturing costs or process of manufactures by which exports can be maintained, but assistance can be rendered by improving transport methods, and keeping in touch with price structures of foreign countries while adjusting frame work of charges.

Conditions of booking are equally important. If rail administrations do give sufficient consideration it will be possible for "manufacturing plants" already located at the "port towns" to capture foreign markets.

With more local demand growing for consumption of coal shipment coal will perhaps be discouraged now, but problems of "bunker coal" will remain. The rail administrations Head Quarters offices are expected to give sufficient stress on structures of coal as will attract foreign ships to

Indian ports for purposes of refuelling. For all this absolutely a rigid method in transportation will not be suitable in national interests.

It may also be necessary to encourage machineries from foreign countries, as will help India's rapid progress to industrialisation and in this matter railways "conditions of booking" systems of Rating "as will give maximum facilities to their movements will be important factors. There may be questions again of "importing industrial oil" for which transport facilities may be necessary.

Railway's freight rate policy should not therefore be governed exclusively by considerations of the "economic of transportation" needs of railway finance (vide item 31) and for provisions of "economic rates" the heavy burden of financial obligation to the state should be substantially reduced (vide items 36, 40).

Q: 42. In the post war period and particularly after Indian independence traffic have been substantially changed. In absence of adequate..... it may not be possible to present accurate figures, but imports of many foreign materials of essential use have been practically stopped. With indigenous paper industries growing to meet Indian requirements raw materials like Bamboo-a Grass-in full wagon will now be moving in increasing number to different industrial countries, vegetable oil products industries have grown considerably requiring movements of oil in tank wagon to the industrial centres. Cement industries have grown requiring lime stones, Gypsum to come to industrial centres. Govt. sponsored fertiliser industry is another important feature of post war India as well of the growing iron and steel industries, the new sheet glass industry, Asansole though under private sector and of the heavy movement of coal to these manufacturing points. Case of growing C.P. goods industries and heavy movements of cotton in bales of different size on that account cannot also be ignored.

Q: 43. With new freight rate policy adopted in 1948 impetus has been given to localisation of industries. Uneconomic transportation has been generally checked. Manufacturing industries have been provided with greater control of their national markets.

Q: 44. Prices are quoted according to FOR destination or F.O.R. forwarding stations according to individual circumstances. In former case industries have no responsibility of rail freights, but have to quote lower prices ex mills of transport costs are high. In an opposite case the mills pay rail freights themselves. In any circumstances the mills have generally to bear the costs of marketing if it be not possible for them to quote high prices for consumers and throw the burdens on them. Sometimes high costs of marketing are saddled on the jobbers (trade) as well.

As regards costs of marketing the expenditure of the Calcutta flour mills has been highly increased due to less of Bengal markets, and looking upon South India for purposes of sale. Average costs of rail freights have been raised from 0-6-0 or 0-8-0 per md. to Rs. 2/- and Rs. 2/6-. To North Assam markets rail freight for flour from Calcutta is about 0-0- 10 pie per md. while Hydrogeneted oil a high product is required to pay about Re. 1-8-0.

Q: 45. If rates of rail charges are high enough the agriculturists have necessarily to be satisfied with lower price.

Railway charges for seed (oil) to Calcutta in full wagons per md.

Miles.			Rs.	a.	p.
500	...	...	1	2	10
600	...	...	1	5	9
700	...	...	1	7	9

When received by *via* Mokamah Ghat additional Ghat and Ferry charges are 0-2-8 per md.

Chemical manures - in full wagons at WL/B scale OR w/400 BG, W/300 MG.

			Rs.	a.	p.
500	...	...	0	14	11
600	...	...	1	0	10
700	...	...	1	2	9

Diesel oil (Petroleum non-dangerous) is provided with RR and OR rates at class 5 and 3 respectively.

500 miles
700 ,, —exclusive of 0-1-4 terminals per md.

Crude oil, Diesel Oil, Petroleum (non-dangerous) industrial oil—are charged in the same scales whereas edible (vegetable) oil Div. D are charged at lower classes 4 RR, 3 OR Petroleum is provided with special rates from Budge Budge to stations in Northern India like Agra, Gaziabad, Hataras, Meerut, Sharanpur or Delhi *vide* E. Railway Goods pamphlet Part IB of 1953.

Wheat is an important food crop and charged in the same way as "Grain Traffic". Among the principal commercial crops cotton jute and sugarcane may be mentioned. Cotton is a very high rated commodity and generally produces of western and northern territories.

GENERAL CLASSIFICATION

Cotton raw	...	...	Full pressed Class 8 RR	Half pressed Class 12 RR

with packing conditions attached as " must be packed in gunny or hessian, tightly secured under tension with iron band or steel ware.

GENERAL CLASSIFICATION.

Jute raw	...	...	Full pressed	Half pressed.

Jute is now available quite close to Calcutta in many places and road motors can be used for ransports as well as the river way.

	Approx. distance.
To Calcutta from Sheoraphulli ...	14 miles
To Calcutta from Tarakeswar	36 ,,
Murshidabad district jute—say from	
Azimganj	135 ,,
Dhulian Ganges	175 ,,
Purnea district jute—	
Purnea	257 ,,
Jogbani	308 ,, (Via Monihari Ghat)

Q: 46. Jute mills. Jute is a commercial crop of eastern territories whose movements have undergone considerable changes with partition of Bengal. Shipments of raw jutes *vta* Calcutta Port have been practically stopped. The jute mills of Calcutta and adjoining centres like Rishra, Serampore, Bhadreswar or Naihati have to look upon mainly the products of Indian Union (Bengal W., Bihar N. or Assam N.) though there are provisions of jute (some) from E. Pakistan coming to the Indian Jute Factories. From East Bengal pre-partitioned the Calcutta Jute Mills were formerly getting their necessary requirements by combined rail and steamer services or direct steamer services in mass scales of special rates. With different charges as to types of bales 4 maunds pressed, 8½ maunds pressed or 11½ maunds pressed etc., of standard size. Principal jute booking stations of E. B. R. and the River Services here were from its Central, Katihar, Dacca districts. The steamer services employed here in carrying jute to Calcutta area were principally *via* Narayangunj (Khulna) Jagganathagunj (Sirajgunj) *vta* Khulna despatch, Maldah-Raisahj. There were besides provisions for special rates to carry loose jute in full wagons at OR to Ultadanga Jn., Cossipore Road etc. for purpose of being used in the press houses (local).

Even at the moment special facilities are provided for carriage of jute (vide Eastern Railways Goods Pamphlet Part I-B of 1958) but possibilities of further facilities (rail) in the interest of agriculturists of the jute mills themselves may be explored.

Q: 47. Provisions of better ware house facilities for temporary storage of agricultural products to avail of the lower wagon rate applying to wheat, oil seeds, rice and different types of dall imported by rail principally from Northern India to Calcutta market should be treated as reasonable facilities which rail administrations are expected to offer under Section 42 of the Indian Railways Act (1890) Rice to Calcutta is a short haul traffic.

Co-operative Bodies and private agencies may be employed as well for this purpose, but it is expected of railway administration to take main responsibilities in the matter and charge economical rents therefrom. Under Second Five Year Plan as industrialisation of the country is expected to make tremendous progress necessary facilities for moving agricultural and mineral products as raw materials for the industries growing must be provided failing which the whole scheme will be rather ineffective. Railway administrations must be prepared to give more terminal facilities particularly under ware houses and operational facilities like more wagon supplies speedier train movements necessary tracks (running) and sidings etc.

Q: 48—50. *Industries under private sector.* Flour and oil milling arevery important industries of Bengal, that have grown round Calcutta. Speaking very briefly the flour mills of Calcutta get wheat supplies principally from U. P., C. P. and East Punjab. As a war time measure Government had taken responsibility of supplying wheat but the mills have been now given to purchase their raw materials from open markets. Calcutta flour mills had a big local sale of their manufactures a considerable portion of wheat is now lost and therefore are obliged to go to south a distance of about 1,200 miles away. In North Assam there is a market no doubt (Traffic moving via Manihari Ghat or by East Pakistan route or the direct river service from Calcutta steamer ghats) comparatively much closer, while Calcutta mills cater for markets of Bihar and Orissa as well. The oil mills get their raw products (Linseed, Mustard or Mahua) from nearly a similar source. Transport difficulties of flour and oil mills of Calcutta have been detailed elsewhere. The oil mills require tank wagons as reasonable facility one under Section 42 of the Railways Act.

Paper and Cement Industries: Paper and cement are very important industries of private sector (in this part of Indian territories) getting huge quantities of raw materials. Distribution of their finished products employing considerable rail transports is also an important matter. As regards paper manufacturing it is estimated that Indian requirements before outbreak of the second world war were in excess of 2 lakh tons out of which 1.5 lakh tons had to be imported. The problem of Indian paper industries has undergone a very great change since because of the imports of foreign paper being practically stopped by Government legislation. The Planning Commission has observed that by 1956 Indian requirements will be about 3 lakh tons per year. It has been estimated further that 8 lakh tons of raw materials Bamboo, Grass inclusive of coal and chemical manures will be necessary to produce one ton of paper. The Bamboo and grass for paper factories move in full wagons, chargeable at special lump sum rates per wagon on floor area basis on distance groups *viz* up to 180 sq. feet, 181 to 198 sq. feet. 199 to 212 sq. feet, 213 to 220 sq. feet etc. The calculated lump sum rates for bamboo and grass as shown in Tariff E R Part I B being different.

The system of charging rates on floor area basis has been adopted principally to

eliminate weighment of wagons at the weighbridge, and unnesssary detentions on that account. The principal seats of paper factories in eastern zone, are at Ranigunge (about 15 miles) from Asansol getting materials from stations in South Eastern Railways. Tittagarh (Kankinara) Naihati, or Dalmianagar (Rohtas industries group) as well in IB (CP) at a distance of 250 miles from Ranigunge mills.

Because of Ranigunge factory situated on a different railway from bamboo forest of C.P. a minimum rail charge of 20 miles has to be paid under rules though actual distance between Ranigunge and Asansol is less, a matter requiring consideration of the committee (*vide* Q: 7). The Bomboo and Grass areas of C. P. are usually from a similar source.

Taking a few typical stations, chargeable distances between Asonsol and

Belpahar	...	262 miles
Jherradih	...	318 ,,
Harisahkar Road	...	438 ,,
Gondia	...	551 ,,
Titilagarh	...	570 ,,

To Shalimar for mills at Titagarh (Kankinara) or Naihati, the distances are generally 70 miles greater than to Asansol. Nainpur District (Bamboo) of South Eastern Railways *via* Gondia at Balaghat, Samnapur, Charegaon or Gondmuri on a narrow gauge rail system has different condition of booking involving transhipments at Gondia for which besides the additional transhipment charge of 8 pies per maund great loss or delay is often experienced.

In Orissa the Talchar forests with stations of booking *viz*. Betnoti, Jamsal, Krishnapur *via* Rupsha supply grass for the paper mills and besides Sone East Bank *via* Barwadi section of Eastern Railway taps the local Bamboo for use of the Bengal paper mills. As against the raw materials moving in full wagons, paper is a fairly high rated commodity class 3 RR which there is no provision of any lower wagon rate or owner's risk rate. A special packing condition (under P/17. I. R. C. A. Tariff No. 29) being given for its acceptance at Railway Risk.

The Bamboo booking stations in Barwadi area are quite close to Rohtas paper industries, the distance being.

From Sonenagar

To	Garwa Road	...	62 miles
	Daltangunge	...	82 ,,
	Kechki	...	92 ,,
	Latehar	...	125 ,,
	Chippadohar	...	105 ,,

The Tittagarh paper mills get supplies of Bamboo also from forests of North Assam, but under agreement. The Bengal Paper Mills do not go there.

In the Eastern Zones cement industries have grown on availability of abundant lime stone deposits of Dehri rocks. Japla Cement (Rohtas Brand) of Martin Burn is situated at 28 miles from Sonenagar. Besides the cement factory at Dalmianagar—within a range of 30 miles from Japla factories (at Rohtas group of industries) another cement factory is situated at Banjari on Dehri Rohtas Light Railways within a distance of 15 or 16 miles. As on a narrow gauge light railway system this factory must be experiencing considerable transport difficulties both in respect of transports facilities and rail charges on the Branch line system. Khelani cement wroks on Barkakana loop are quite close within a range of 100 miles to Japla factory.

In addition to lime stones, the principal ingredients of cement industries are coal and gypsum as also the gunnies used as containers. Paper bags are coming into use, and the factories further require lead pipes, industrial oil from Calcutta and fire bricks (Barakar) from time to time. Taking Dehri (Dalmianagar) as a typical cement works the distances from coal fields.

Jharia Field

Dhangad	...	177 miles
Kusunda	...	179

Ranigunge Field

Ondel	...	229 miles
Ranigunge	...	225

Jharia fields being closer.

Gypsum is a long haul trffic from Rajasthan imported via Agra East Bank, the distance between Agra East Bank and Dehri (Dalmianagar) being 445 miles and from Agra East Bank to Marwar the distance is 322 miles. Gypsum has a lower rate, and is placed in the same category as Lime stone for purpose of rail charges moving in full wagon and chargeable on the carrying capacity of wagon employed.

Considerable stocks of gunnies are necessary as containers and supplied from Calcutta as well the Purnea District Jute Mills. Gunnies are quite high rated commodities at class 7 RR rail charges for which have been raised recently (from 1-4-55). The rates are irrespective of load. The cement (manufacturers) when despatched in full wagons are to be loaded and unloaded by parties concerned. Booked at railway risk the wagon scales (at WL/E) to be charged at the carrying capacity of wagon used. The ceiling price of cement being Govt. controlled. costs of manufacturing inclusive of F.O.R. destination price of raw materials must be kept as low as possible. Not only the cement prices are State controlled but India has arranged for financial assistance through Industrial Finance Corporation to the companies (if needed) to step up production.

The C. P. Cement factory is on a siding (Keymore) about 15 miles from Jukehi (near Katni). There are provisions of cement manufacturing at Katni and Jubbalpur as well, consuming similar type of materials, coal, lime stones and gunnies etc.

Distances

Jharia to via Naini	...	345 miles
From via Naini to Katni	...	169 ,,

From Korea Coal fields (producing first class coal).

to Jabbalpur	...	203 miles
Katni	...	144 ,,

From Bengal Coal fields
to Katni by South Eastren Rlys...572 miles.

Sugar.—In respect of sugar industries of the Eastern territories as in Bihar—those situated at Bihta, Bauxar or Gararu (4 miles from Gaya) or Dalmia Nagar (Rohtas Group) may be mentioned. In West Bengal there is a sugar Factory in Plassey in Murshidabad District.

As regards transport position of their raw materials the Eastern Railways have provided special rates from various rail booking points of Bihar despatching sugar canes on lump sum charges per 4 wheeled BG wagon, calculated on floor area basis of wagons used.

Upto 180 sq. feet
181-198 sq. feet
199-212 sq. feet etc.

The idea of the scheme is to eliminate the process of weighments and delays to wagons on that account in the same way as paper mills are given facilities on carriage of Bamboo or Grass. Plenty of local sugar cane is available and besides the haulage rates for sugarcane indicated above additional siding charges (lump sum) are levied for details vide pages 39,40 E.R. Tariff IB of 1958.

Indian Sheet Glass.—A reference to the new sheet Glass industry (Hindusthan Pilkington Glass Works) at Asansol may be interesting from transport points of their huge raw materials and manufactures of sheet glasses of different categories, the central markets being Bombay Delhi and Madras. The company is employing about 1 crore rupees as their share capital, the raw materials from Central India of which are required to pay minimum charge of 20 miles between Asansol and Kalipahari the actual distance being only 3 miles is an undesirable disability. Principal raw materials of the industry being Sand, Limestone, Dolomite, Sodium Sulphate, and their seats of purchase at—

From			*Distance (miles)*	*rate per md.*	*condition of booking*
Sand	—	Lohagra	399	0 10 9	OR.CCL
Dolomite	—	Baraduar	336	0 10 1	OR.CCL
Limestone	—	Jukehi	538	0 12 8	OR.CCL
Sodium Sulphate	—	Marwar Ballia		1 8 1	OR.C/400.

The factory uses imported Soda ash via K. P. Docks. White Sodium sulphate is a long distance traffic via Agra E. I. and on them the railway freights exceed Rs. 10,000 per month.

Marketing of manufactures. In a recent speech of the Central Minister of Railways and Transports it is noticed that among industries of private sectors the financial investments would be 2,300 crores under Second Five Year Plan, coal occupying an important position though, as State control in many items particularly on distribution and supply of wagons in that connection its transport problems have been discussed under those of industries of public sector whose investments are anticipated to be 4800 crores in a new scheme, 2275 crores being earmarked for rail roads, greatest of India's industries under public sector.

Paper, Sugar and Cement Industries under private sector: In the eastern zone, Calcutta is a very big market of such manufactures. As regards paper, comparative distances from Ranegunj (Bengal paper mills) Titagarh Kankinara (Bird Group), Naihati (Andrew Yule), Dalmianagar (Rohtas Group) to Calcutta markets and costs of the same for distances to

Calcutta from Ranegunge	...	113 miles
Kankinara	...	32 ,,
Titagrah	...	41 ,,
Naihati Dehri (Dalmianagar)	...	338 ,,

Though paper is fairly high rated commodity (on which no wagon rate is provided) rail freight of the same is rather low in relation to raw products received at the various paper mills in special wagons rates. It appears that from Kankinara or Titagarh the paper to Calcutta market by road service will be preferable because of a short distance traffic.

Sugar is provided with a lower wagon rate class 3 RR-LW/500 BG, W/800 M. G. the rates for smaller lots being chargeable at class 4RR. The distance between Bihar Sugar industries to Calcutta is 345 miles from Gaya (Gararu) it is 298 miles. Regarding their carriage of raw materials at special rates the latest special tariff of Eastern Railways may be referred, *vide* pages 39, 40 of Tariff I. B. No. 1 part of special rates.

Cement from factories move in full wagons with a wagon rate chargeable on the carrying capacity of wagons employed *vide* IRCA Tariff No. 29/1953.

Distances from Dehri and Japla to Calcutta.

Japla	...	362 miles
Dehri	...	338 ,,

The cement products of C. P. are under disability as regards entry at the Calcutta market the distance of Katni being 644 miles. The industry located here is also handicapped in respect of their coal.

Cement and sugar manufactured by Rohtas Group of industries in the local markets of Bihar.

Ex Dehri—Dhanbad	...	177 miles
,, Gaya	...	53 ,,
,, Asansol	...	213 ,,
Bihta Sugar (factory)		
to Patna	...	23 ,,
Arra	...	14 ,,
Dumraon	...	46 ,,
To Dhanbad—Gaya	...	62 ,,

The cement factories of Bihar depending on Limestone rocks of Dehri are quite close to one another.

The Kalyanpur Cement Works here suffers from greatest disability in respect of transports—raw materials and finished and it is of a comparatively recent origin. For a distance of only 15 miles for instance bet-

ween Dehri and Banjari (where the works are situated) on the Dehri Rhotas Light Railways, the additional costs of carrying cement under rail freight are nearly 0-2-0 per maund for which those of Dalmia is in position of advantage. For cement there is a lower wagon rate already pointed out but on cement crinkers a semi-manufactured goods there is no such facilities and this matter therefore requires consideration of the Committee of Enquiry.

Rail freights for employing a 20 Tons wagons to such local markets say Patna, Arrah and Barh are found to be

for Patna City	...	Rs.	243	2	0
Arrah	...	,,	273	4	0
Barh	...	,,	285	2	0

The existing average production of this factory is about 120 Tons a day but considerable increase of productions is anticipated in a short time as the factory is undergoing expansions at a further expenditure of about one crore of rupee with assistance from the Indian Finance Corporation. The company consumes at the moment about 60,000 maunds of gunnies per year. The gunnies are high rated traffic class 7 RR and companies purchase of such gunnies as containers are principally from Calcutta market. With revision of class rates from 1-4-1955 the company will be required to pay about 0-2-0 per maund under haulage in excess on their purchases from the Calcutta market. Actual rail freight for cement from Banjari, D.R. Light Railways to Calcutta (Howrah) are found to be 0-13-0 per maund. A standard size bag contains 1 maund 14 seers cement.

The Cement Factory at Kalyanpur do not pay any rail freight practically on the limestones the principal raw material of the industry. The coal is purchased both from Ranigunge and the Jharia fields, the distances from Ranigunge to Dehri or from Jharia to Dehri will be

Jharia to Dehri	...	miles
Ranigunge to Dehri	...	,,

The industry has additional transport difficulty on account of transhipment and high rail charge between Dehri and Banjari.

Regarding present consumption of Gypsum the transaction of the factory in weights.

1952	—	1300	tons (about)
1953	—	1900	,, ,,
1954	—	2000	,, ,,

It is anticipated that the consumption of the factory under Gypsum will rise to 7 to 8 thousand tons per year in a short time as the new scheme of expansions works. Railway freights on Gypsum from Rajasthan are about 1-3-0 per maund which the company is required to pay. Regarding cement and gunnies there will be proportionate increase under production and purchase, a general review of the rail freights 0-13-0 per maund for cement and 1-9-0 (about) per maund for gunnies between Calcutta and Banjari has been indicated already.

Q: 51, 52 & 53. India's requirements of Iron & Steel are estimated at 60 lakhs tons per year whereas the local production of Tata's and the Indian Iron & Steel Co. etc. is found to be only 19 lakh tons. The Government of India is now launched to a policy of making this country self sufficient as regards Iron and Steel and have started new steel factories (under State control) at Rourkella (Orissa), with schemes to construct additional factories in West Bengal (at Durgapur) or in Madhya Pradesh (At Binahi). The existing factories at Tatanagar or Burnpur (including Bisco), Kulti will receive suffioiant expansion to accommodate new requirements of India, and besides the Bhadravati factory in South India (Mysore) catering primarily the requirements of Bombay and Madras areas may be mentioned. As regards Bhadravati works their case for reduced rates on cast iron pipes in competition with the products of Tatas and Burnpur at the Bombay markets (*vide* case) No. 6/1952 before Indian Railway Rates Tribunal will be interesting in this matter.

Regarding production capacities of the Hindusthan Iron & Steel Works, (Rourkella) or the other factory at Durgapur (West Bengal) under contemplation, the former will employ 80 crores of rupees, and is expected to produce 3.5 lakh tons of steel per year in the next 5 years. The Durgapur factory is expected to be still bigger employing a capital of 100 crores of rupees with a capacity to produce 10 lakh tons of steel and 3.5 lakhs tons of pig iron per year. About raw materials of the industry, coal, iron ores, manganese and lime stones are principal ingredients that may be mentioned.

Even at the moment consumption of coal in Iron and Steel industries is only next to that consumed by the railway themselves. It has been estimated that iron and steel industries consume about 12.5 million tons of coal. With factories of different grades extending and expanding as above there will be more coal trains to move under which the general marchandise trains will surely receive obstructions. Fortunately the coal trains to the Iron & Steel factories mentioned will have short haul movements. Durgapur for instance is quite close to the coal fields of Ranigunge about 8 miles only from Ondal, and from Dhanbad it is 60 miles. The Iron & Steel factories being very much dependant on coal properties, the Indian Coal Field Committee (1946) estimated that Tata's coal supply from Jharriah fields was 9.5 lakh tons as against 3.5 lakh tons consumed by Indian Iron & Steel works at Burnpur. Both Tatas and the Indian Iron & Steel works own huge coal properties in Jharriah fields, booking being from Malkera, Jamadobah and Sijuah. Tatas possess coal properties besides at the Bokaro fields, the route being *via* Barkakana and Chandil between Barkakana / Tatanagar the distance is

Distance between Tatanagar and Asansol	106 miles
Gomoh	125 ,,

Head Quarters of the new South Eastern Railways for distribution of coal wagons on its system is at Adra. The new Rourkella works are about 100 miles further West of

Tatanagar, the distances from coal fields being

Asansol	...	185 miles
Gomoh	...	205 miles

Burgapur and Burnpur (Kulti, Bisco) near Asansol ER are quite close within a zone of nearly 25 miles, The average load of a coal train will be about 800 tons or 40 wagons.

The Rourkella works are practically on the lime-stone quarries of Birmitrapur, the manganese ore area is about 130 miles, while the Iron ore area of Badampahar *via* Tatanagar is 160 miles away. Regarding availability of iron ores it has been estimated that Singhbhum iron belt, has a deposit of nearly 10,000 million tons. Out of which only 225 lakh tons are consumed at the moment per year. The distances between Birmitrapur lime quarries

to Tatanagar	...	120 miles
to Asansol	...	200 miles

Lime Stones, and Manganese ores are charged at the same scale of wagon rates under the carrying capacity of wagon employed with consignor and consignee to load and unload. Iron ores (or ores common) or pig iron is also carried under similar conditions. The iron and steel products are divided into a number of grades A, B, C for purpose of charge (rail). The wagon load scales being under classes 4, 3, and 2 W/545 RR BG. Regarding special rates from Tatanagar or Burnpur Iron and Steel factories to various principal consuming centres *vide* ER Tariff IB of 1953 the latest edition.

Lime stone is consumed heavily in the Iron and Steel works and Cement factories as well as in productions of sugar (using lime) building materials as substitute of cement. It has been estimated that about 40,000 wagons move every year on the South Eastern Railways alone. With industrial expansions as anticipated rail movements of lime stone will increase considerably.

Ship building is an industry of public sector consuming huge quantities of Indian Iron and Steel. The Hindustan Ship Building yard at Vizagapattam was originally started by the Scindia's but has since been acquired by the the Indian Government. It must consume huge quantities of iron and steel materials in the works, which is expected to increase very considerably with the expansion of the capacity of the yard. The first Indian ship for instance constructed was 8,000 tons D.W. in (1948), existing capacity being 25,000 tons D.W. per year, while within the next 5 years the capacity will be increased to 50,000 tons.

Distances from Vizagapatam

to Tatanagar	...	596 miles
to Burnpur	...	640 miles

from which principal raw material of the yard (building) is likely to be imported. Vizagapatam port is provided with special rates from Tatanagar on such consignments in full wagons W/545 L.

The Indian Government has been taking a keen interest in chemical manure productions as fertilisers. Bihar's Sindri works are reported to be the biggest of Asia's fertiliser industry. The factory has a capacity to produce 3.5 lakh tons of manures per year. When in full production it will consume daily 1,000 tons of coal, 2,000 tons of gypsum (mainly from Rajasthan) *via* Agra East Bank, 600 tons of coke and will distribute 1,000 tons of fertilisers to different states. The factory of Prodhankanta is quite within the regional Jharriah coal field. The gypsum is a long distance traffic though moving in full wagons chargeable in the same way as lime stone, pig iron, manganese or iron ores on the carrying capacity of wagons used. The factory is provided with special rail rates on gypsum from booking points in Marwar (Rajasthan).

Coal: The coal industry is mostly under private sector no doubt but in a sense it is under full control of the Government, (Coal Board). There are besides a number of coal properties owned by the State, which are said to be receiving preferential treatment from the Board to whom the powers of wagon supply or distribution of stocks are practically vested.

For its peculiar position therefore the transport problems of coal fall under industries of public sector. Distribution of coal to different industrial centres is a problem (transport) of very great magnitude. Even at the moment State owned railways consumed about 10 million tons of coal per year which must be given a top priority, the iron steel industries come next in the matter of importance. The allotments of coal to different major industries will increase considerably as those expand under Government Second Five Year Plan.

B. N. & E. I. Railways are required to load at the moment nearly 8,600 wagons a day and their responsibility will increase considerably within a short time. Problems of coal transportation under supplies of wagons or movement of coal trains on the tracks provided are likely to be very acute necessarily. Coal is quite a low rated commodity which is another problem of the Indian Railways. As regards average earnings on carriage of coal and the grains traffic next to importance, the Indian coal field committee (1945) enquiring into possibilities of further reducing the coal rates of charge estimated average earnings from different grades of Traffic.

		(1945)
Public coal	—	3·14 pies per ton mile
Grains	—	18·13 pies per ton mile
Other commodities	—	10 pies per ton mile

The Committee further estimated average rates from Bengal coal fields viz.

	Per ton from BNR Coal fields at Jhariah Radhanagar, Bokharo				EIR coal fields inclusive of Ondal & Barkakana			
				Per ton				
To	Bombay	Rs.	14	3 7	Rs.	14	3	7
	Madras	„	12	9 10	„	12	3	7

In course of next ten years the coal rates have been considerably upgraded, the rate quotations of 1955 being from Bengal Coal Fields to

Bombay	...	Rs. 20-14 -0 per ton
Madras ...	...	„ 20- 5 -0 per ton

plus an additional charge of 0-12-2¼ per ton under Labour Dept., Cess Account.

As regards transports of coal India must be in a position to provide sufficient supplies for bunkering at the ports of call (important bunkering points besides Calcutta) being Vizagapatam, Madras, Cochin or Bombay for which necessary traffic facilities at the Calcutta Port have to be provided under maximum quickness with minimum damage. Opinions are growing to discourage foreign shipment of Indian Coal in consideration that India's own requirements would now come upto 50 million tons. At the Calcutta Port the cargo coal require equal facilities of handling. On improved methods of handling and the docks here the systems of the other progressive countries are worthy of examination. Calcutta is a river port and local conditions of transports with financial considerations have to be taken into recognition as well in this matter. It is also noticed there is a tendency at the moment to use more oil in place of coal as fuel that is an important matter in this connection.

Even at the present state the iron and steel industries Tatanagar or Burnpur are experiencing considerable difficulties (as they say) in getting their necessary requirements of coal on account of inadequate track facilities. The Industries have suggested for suitable expansions of the Bhojudih, Damodar and Anara yards. The Eastern Railways have to move 70 million tons of coal at the moment it must handle 2,300 wagons per day in the coal field and South Eastern Railways requiring to move 11 million tons have to deal with more than 1,200 wagons every day in a similar way.

Next to the Railways and the Iron & Steel Industries Cotton Mills Electrical energy and the cement industries are great consumers of Indian coal. Regarding the cargo or Bunker coal the transport costs as were estimated (1955) under the heading of Port Commissioners charges have been estimated at Rs. 2-5-6 per ton viz.

River dues	...	0-12-0 per ton
Surcharge	...	0- 3-0 ,,
Shipping charge	...	1- 4-0 ,,
Surcharge	...	0- 2-6 ,,

in addition to the trimming charge of 0-13-0 are surcharge of 0-2-5 per ton.

The coal freight being at rates—with effect from 1952.

1—200 miles	·03 pie per md. per mile
201—400 ,,	·10 ,,
400—1,000 ,,	·08 ,,
Beyond 1,000 ,,	·07 ,,

From Ranigunge Coal field to Calcutta (say Ondal) the distance is 109 miles and Sitarampur it is 130 miles for purpose of rail charge. From Jharria fields Group rate system is followed.

One scale of rate for carriage of coal on all Indian Railways though the Pench Valley deposits are of inferior quality but the latter has an advantage of being closer to cotton milling industries of Western India-Ahmedabad, Broach, Baroda, Indore and Bombay. The Korea collieries in Central provinces are the Central Indian coal field section of South Eastern Railways produce superior type of coal, but have difficulties of being land locked.

Korea fields lo Bombay	...	819 miles	
Pench Vally	...	587 ,,	
Bengal coal fields			
Jharriah via Naini	...	1185 ,,	via Nagpur offers
Asansol	...	1147 ,,	shorter
Korea field			route.
to Ahmedabad	...	771 miles	
Broach	...	771 ,,	
Indore	...	545 ,,	
Pench valley			
to Ahmedabad	...	559 ,,	
Broach	...	557 ,,	
Indore	...	333 ,,	
Bengal coal fields			
say from Ondal to			
Ahmedabad via Agra		673+539=1212 miles	
Broach ,,		673+576=1249 ,,	
Indore ,,		637+421=1094 ,,	

It has been estimated that towards Calcutta in the down direction by ER transport (tracks) facilities for coal are much better than those available in the direction of Upper India the tracks being single beyond Allahabad. The U. P. Cotton Mills are necessarily under difficulties regarding their coal requirements from the Bengal fields.

That coal distribution requires better transport facilities is admitted even by authorities entrusted to run the rail system of this country. As far back in 1920 Mr. Church then Mining Engineer Rly. Board expressed in his evidence before Acworth Enquiry Committee "that theoretical capacity of railways to handle coal traffic may be in excess of the existing output of the coal fields but in practice the railway capacity was more than one million ton short of the annual output" and observed that "the real difficulty was not short supply of wagons but general incapacity of the railways to handle the growing traffic.

Col. Sheridon—then General Traffic Manager of the East Indian Rly. expressed before this Committee of acute difficulties his railway had been experiencing for moving the coal trains along with those containing general merchandise on the single line section beyond Allahabad.

Indian coal field committee of enquiry (1945/46) observed that projects of Railway Board to improve track facilities for distribution of coal round Jharriah and Bokaro fields should receive top priority and referred particularly to construction of a new rail line between Barwadi and Annupur for this purpose.

Iron and steel works of Tata's and Burnpur have been continually complaining regarding difficulties of their supply of coal from the coal fields.

As regards existing difficulty of the industry in relation to rail transports following observations from the recent annual speech 1955 of the Chairman, Indian Mining Association, Bengal Chamber of Commerce Industries may be interesting.

"Another important factor which is affecting the development of the industry from which we have suffered for many years..... the inadequacy of rail transport to move the coal which we produce to the places where

it is required regularly throughout the year. The railways' performance in moving more coal last year (1954) than they did in 1953 is one which calls for our sincere congratulation. Unfortunately however this performance still falls far short of what is required in spite of improvements. I am sorry to say that our main complaint against railways are far from being satisfied. Movement capacity to the north, west and south of the country continue to be restricted. We have received assurances from the railway authorities that everything is being done to remove existing bottlenecks but I would urge that a much higher priority should be given to this problem than it appears to receive at the present time."

The Chairman of the Mining Association further observed in the same speech that "in the context of elaborate plans which are being made to cater for the industrial expansion of the country I trust that the railways will not neglect the smaller plants, which in their cumulative effect could materially ease the Transport position in a very short time" and also referred to short supply of empty wagons to the collieries particularly during busy season between November to June as well to problems of improving the existing pilot and depot capacities.

The Kunzru Committee had only a few years ago while dealing with question of regrouping the rail systems of Northern India referred to extreme necessity of watching the Moghulsarai yard for prevention of bottlenecks, and requirements of keeping Moghulsarai, Allahabad, Kanpur and Lucknow under one control for maintaining a free-flow of wagons to and from the Bengal Coal fields.

PART II

Q: 1. When there are provisions of alternative rates for carriage of a commodity at the Railways or owners' risk the trade generally takes advantage of the lower owner's risk rate with a view to reduce freight bills.

Exceptions to the above rule may be noticed sometimes. It is difficult though to make a correct statement of facts in this connection. In case of piece goods provided with Railway's and owner's risks rates, the trade often looks upon the higher rate in consideration that there is no "much difference between the Railways' and the owner's risk rate of charges", the price of goods is proportionately very high in relation to rail freights, cotton piece goods being easily saleable are susceptible to pilferage in transit, and quite a valuable commodity for the thieves, even of the railway servant for their own use. "The difference of rail charge at owner's and rail risk for such goods may be indicated further R.R. rate (exclusive of terminals) OR 600 miles—Rs. 3-12-3 per maund and also Rs. 3-8-6, for piece goods. As generally a long haul traffic there is more scope of thefts, in piece-goods (a valuable consignment).

Wheat and flour traffic have no such problems of rates, being carried always at Railway Risks whether in smalls or in full wagons. From up country stations the wheat for the Mills/Cal. come always in full wagons (at RR) while flour in marketing move in smalls, or in full wagons at R.R.

Paints for instance are provided with railways and owners risk rates. Rail charge of the ordinary paints at the Railway and owner's risk rates (exclusive of terminals) for a distance of 300 miles being Rs. 1-5-6 and Rs. 1-2-9 per md. the margin of difference is not very high, but there are problems of sale at a competitive market which may ultimately determine the selection of such rates.

In case of vegetable oil or the oil products it is seen that trade refers the lower owner's risk rate, though occasionally huge losses are incurred on that account. The questions of marketing at the lowest possible price perhaps govern decision of the trade in this connection.

When no alternative rate is provided by railways the trade has no choice, but in other cases no change of attitude is noticed in selection at a type of rate between pre-war and post war periods.

Q: 2. On the subject of "private insurance system" it does not appear to have become very popular with trade. The system gives more protection to trade in respect of rail carriage than paying the alternative rail risk rate of charges. In case of damages for instance on goods booked at Railway risk, the Railway Administrations may decline liability on the ground that such losses were "beyond control". Losses from actual thefts are not paid to trade on flimsy grounds. Goods booked at "Railway risk rate, but defectively packed", the Hides (Cow or Buffallo) traffic may be cited as an instance in point.

Flour is a perishable traffic and susceptible to damage under exposures or contact with rain water. Though it is always carried at railway risk the railway Administrations have tendency to decline liability on the ground that loading and unloading were performed by senders and consignee. The procedure to realise from railways is so dilatory and cumbrous that in small matters the parties would not even bother.

To pay insurance charge of companies on flour, will however mean additional costs of transport above the rail risk rates. It is estimated that insurance fees are generally 0-2-0 to 0-4-0 on Rs. 100/- basis of value. Insurance Companies take much greater risks of carriage.

Q: 3 & 4. It has been explained that insurance system is still not very popular with trade. It will be difficult though to give a correct estimate in this connection. When payment of claim from railway administration is doubtful, and there is a great possibility of damage to valuable goods, the trade look upon private insurance system. Tank wagons of vegetable oil carrying (500 maunds at Rs. 40/- per maund) goods in

excess at Rs. 20,000 per unit can only be employed by large traders who have great opportunities to look upon Insurance Companies.

It is very difficult to give a correct reply of the amounts of claims paid but those are increasing, the value of goods having gone up on post war increase of price structures.

Q: 5. It is difficult rather to make a correct estimate of the proportional quantity of payments under different items. The trade feels the due claims are never paid, and of the great delays in receiving a payment.

Claims on account of "fall in price owing to delay in transit" or "losses due to misdespatch" or "damage due to wet on consignment booked in full wagons" are generally never paid.

In case of rejection of claims, the small traders have no alternative but to suffer in silence. Even large traders forego on many occasions, for not preferring to undergo further harassments and legal expenses.

Q: 6. Goods with alternative owner's risk rate and having special "packing conditions" provided are particular victims of Railway administrations. In this connection "Vegetable oil traffic" may be particularly mentioned. Though the flour is booked at Rly. risk claims for damage are very often rejected on flimsy grounds and it is not possible for trade to continue in protracted correspondence.

Q: 7. Indian Railway (amendment) Act of 1949 should give trade more protection in theory, by extensions of Railway's responsibility to factors of "negligence" in addition to those of "misconduct". In cases of goods "defectively packed" claims for losses due to "neligence" or even "theft" (under misconduct) are repudiated now on the ground that those are lost in general handling. Wagon doors or windows are seldom properly closed by railway staff which is pure negligence. Railway officers have a tendency to repudiale liability in such cases. In case of fresh fruits etc., loss of a train connection is a case of "negligence", but the old tendency of repudiating claims on the strength of "reduced owners risk" rates still prevails.

The railway officers do not generally admit negligence of their outdoor staff, the trade is advised accordingly. In case of "defectively packed consignments" claims are refused on the ground that losses occurred in general handling, though that was pure negligence. The matter is closed and the advantage of new amendments (1949) cannot be taken in practice unless by reference to a court of law, which is usually not done.

It is felt that in course of time the advantage of amended Act will be reaped by trade. The outdoor (subordinate) staff of railway administration are not only involved in "direct and indirect thefts", but also in "neglectful treatment to goods in their charge". The better course would be to make them realise their responsibilities in this matter in preference to making any changes in the system of rail charges.

Q: 8. The present practice of charging is very anomalous, requiring of thorough investigations by an expert committee for purpose of rationalising the condition of risks. Flour or wheat for instance has only "one set of rates" at Railway risk whether sent in small or full wagons. In case of goods liable to be loaded and unloaded by parties concerned the R. R. condition attached to the rate is of no practical advantage to trade. Provisions of lower rates at OR will get better appreciation of trade, as reducing their costs of marketing.

Q: 9. Maintenance of some desparity due to different condition of goods appears to be reasonable.

Q: 10. It appears more reasonable to offer Railway risk rates for all goods, and reductions on percentage basis of the full tariff rate in case the carriers are relieved of some responsibility or risks. Such reliefs may be varied with a 16 to 25 per cent. reduction according to condition of commodities perishability or liability to breakage etc.

The wagon load rates are given to ensure better loads per wagon in the interest of rail administration and better relief to trade under items of the "costs of transports or marketing". In the interests of trade, provisions of alternative OR and RR rates for carriage of goods in full wagons will be very much appreciated. The railway administration will be benefitted as in that case.

Q: 11. In case of valuable goods under list of "excepted category" the Railway risk rate of charge make the carriers liable up to Rs. 300/- according to present practice. The system may be continued. Railway administrations be made to accept greater liability as at present on declaration of value in the forwarding note and making prepayments of necessary insurance fees.

Q: 12. If the trade wishes to relieve responsibility of railway administration a general relief of 20 or 25 per cent on full tariff rates appears to be a fair proposal.

It may be alternatively made to vary from 16 to 25 percent reduction according to condition of traffic as already indicated vide para 10.

Q: 13. Paints (dangerous) and "non-dangerous" are provided with R R and O R rates no doubt in IRCA Tariff 29/1954. In case of dangerous goods, such as enamels or varnish paints under Division A & B there is no mention of special packing condition in the above tariff to a rate. It may be that any notification on this point has been made in one of the railway's latest circulars. Provision of some relaxation in packing condition referred by the committee has been made when the railways as carriers are expected to take less risks. The system appears to be fair.

Q: 14. The change of practice in the new forwarding note under section 72-A of the Indian Railway Act 1890 appears to be generally satisfactory.

Q: 15. Both the carriers and trade should be made to pay great attention to packing conditions of goods. A better system of packing if insisted upon, would reduce costs of handling for the railways. The trade will be benefitted as well, for there will be much less possibility for loss or short delivery on that account.

Q: 16 It would be much better if compulsory packing condition to more commodities can be introduced. In respect of "wheat" or "flour" good packing or loading will be a considerable improvement. It is often found that on account of bad loading or inefficient closing of wagon door, thefts are being accelerated. The railway administrations are generally in the habit of declining liability on a ground that such losses were "beyond their control". Even when the railways claims officers agree to pay, no decision is generally received of claim before one year.

In many cases there is no insistance of packing condition, or of the parties requiring to load and unload as in the case of Paints Division A & B (dangerous goods).

Q: 17. In case of wheat booked by small agriculturists for sale to mills situated at calcutta importing their requirements in full wagons, and for which a definitely lower rate is provided it would be very reasonable to provide with warehouse facilities. It is possible for such provisions rendered by private business or co-operation bodies no doubt, but railway administration should provide them as adequate facilities under Section 42 of the Indian Railways Act, 1890.

Q: 18. It is noticed that as Bailees, Indian Railways, carrier of goods takes less reponsibility. In many cases for loop hole of the Act the Railway claims officers decline many real claim of trade, who has little opportunity to go to a law court on every occasion.

The railway's liability may therefore be increased to that of a common carrier as "Insurers" of goods a practice followed on British railways.

Q: 19. Thefts or pilferage are often committed by railway staff or with their connivance, or on account of neglect. To prevent their system there should be more supervision from Railways officers, and watch and ward staff," or Government Police arrangements must be immediately improved.

In case the railway staff are found to be involved in similar thefts a practice of deterrent punishments, must be followed. In all cases of thefts en-route, the trade suffer extensively even if any damages are paid at a subsequent date after a protracted correspondence of more than a year.

In all cases of thefts en-route, the trade suffers extensively even if any damages are paid at a subsequent date after a protracted correspondence of more than an year.

Q: 20 It is rather difficult to make an estimate of increase in payment of claim of railway administrations and their responsibilities as insurers are insisted upon. The cases of running train thefts are growing and which may be reduced only by making better police arrangement in areas where frequent cases of such thefts occur or by placing special railway guards and discouraging stoppages en-route for signals particularly at night time.

Q: 21. Regarding claims made by trade and paid by railway administration the trade experiences great difficulties. Railway administrations never complete enquiries within one year, and go on to eighteen months or even further. The trade has to wait for a decision of the administration. Meanwhile the proper time to file a suit for recovery of claims expires. The cases become time barred under Sections 30/81 of the Limitation Act.

Railway claims officers are found to be high handed in settling claims of trade, besides the question of time taken indicated above. Claims are very often drastically reduced and trade has to accept them as only alternative.

Correspondences of trade are seriously neglected in addition to delays in such settlements or to the high handed attitude of the railways claims officers.

This matter is continually ventilated through different chambers of commerce, but no material improvement is noticed.

PART III

GENERAL.

Under Section 42 of the Indian Railways Act, 1890, the Railway Administrations are required to afford all possible reasonable facilities for receiving, forwarding and delivering of traffic and not permitted to make undue preference in favour of any particular person, or a Railway Administration or a particular description of traffic.

Section 41 of the Act provides that a suit may only be instituted against a Railway Administration when Section 42 is alleged to have been violated by making a reference to Government of India. If it be found to be a fit case for enquiry the Governor-General in Council will appoint a Commission (known as Railway Commission) for this purpose whose costs will be borne by the applicants (party). The Commission submit report to the Government and will be dissolved under Section 89. The Commissioners may call on one or two persons to act as Assessor with permission of the Governor-General in Council.

It will be noted that because of the prohibitive costs and uncertainty of results Section 41 of the Act was never put into practice and it has been a dead letter for all practical purposes. The idea of a permanent Railway Rates Tribunal to enquire into cases under Section 42 came with Acworth Committee of Enquiry (1920-21) exactly at a time when a similar institution was growing in U.K., but the Indian Government sanctioned only a Railway Rates Advisory Committee instead possibly under an apprehension that an "Independent Tribunal" would be likely to damage sometimes the financial structure of "railway systems" in which the state was directly interested. The Railway Rates Tribunal has come into force only in 1949.

The permanent Rate Tribunal has been based generally on the former Railway Commission but 60 years have passed between this Commission under the Indian Railways Act (1890) and the new Tribunal of 1949, during which character of the rail system under ownership, managements, combination etc. have undergone entire change. The position of inland and foreign trade of India has been also fundamentally changed. It will therefore be unreasonable to follow exactly the old system of control (public) or Indian Railways provided by the Act under Sections 41 & 42.

In this connection experiences of U. K. regarding powers of Railways Rates Tribunal (BR) or of U.S. under Interstate Commerce Commission may be of immense value. A total copy though of these institution in India is not possible due to different geographical and administrative conditions of U.K. U.S. and India their rail systems or character of other forms of transport as well as of the industries and trade.

Q: 1 (a) Widening of the powers of Tribunal is advocated.

(b) It is advocated that Tribunal takes greater initiative to control railway rates structure of this country.

(c) Further narrowing down of the power of Tribunal will possibly mean extension of the Tribunal itself. In case it is further narrowed the power to control railway tariff will have to be possibly transferred to "Tariff Board". Railway Tariff making or maintaining is a "highly complicated" and fundamentally different from Tariff regulations (general) inclusive of bounty to indegenous industries and allied problems entrusted to the Tariff Board for purpose of investigations. An independent organisation to control railway tariff whether styled as as Railway Rates Tribunal, Railway Commission, Transport Commission or a Traffic Board with wider powers than what was vested in 1890 under the Indian Railways Act is really desirable.

A reference to British Railways Rates Tribunal indicates the enormous powers entrusted in this matter. The Tribunal for instance fixed the standard rates that would enable the British railway companies after amalgamations to earn "standard revenue" on hearing all interests concerned. The Tribunal in U.K. took it that the rail systems were managed "with utmost efficiency and economy". For exceptional rates which the railway companies have to quote to meet exigencies of trade the Tribunal must always be informed and for reduction of a rate below 40 per cent of the standard rate special sanction of the Tribunal would be necessary. (*Vide* Sir William Acworths, Elements of Railway Economics—Railway Rates Tribunal). The Inter State Commerce Commission of U.S. weilds perhaps still wider powers that is self evident from name of the organisation itself (*vide* Dr. Bigham's Principles and Problems of Transportation—on Inter State Commerce Commission).

Q: 2. The present methods of Goods reclassfication whether in raising or reducing charges for a particular commodity appear to be rather incongruous. If a rate is reduced for instance it may lead to (sometimes) undue preference. In case of upgrading the rail charges (or Classifications) with approval of the Tribunal possibly given on insufficient materials supplied by Railway Board, the trade will be deprived of reasonable facilities due. If the system is to be generally continued, the Tribunal may adopt a policy of communicating a similar change of rates to different Chambers of Commerce and arrange for public notifications as well as of obtaining view of interested parties. After sufficient time given a particular rate or classification should receive approval of the Tribunal. There is some system of communication to interested parties no doubt by publications in newspapers but it should be more comprehensive and thorough. It is extremely desirable, that Tribunal has full confidence of industries and trade both for fairness and efficiency.

Q: 3. An alternative suggestion that rates can be raised by revisions of classifications without approval of the Tribunal, and Trade is given at the same time full right to make references to the Tribunal either under "unreasonable rates" or undue preference appear to be fair and reasonable.

Q: 4. The rates of procedure adopted by the Railways Rates Tribunal following the practices of law courts do not appear to be satisfactory. The very name Tribunal should be changed as it deals in problems of applied economics and be stripped therefore of all legal technicalities as far as possible. A "Railway Commission" is even a better term for the organisation of control on rail rates as was used by the Railways Act (1890). Other forms of Transport have developed since for which the word Transport may be used rather in place of 'Railway' as in the Act.

Q: 5. On account of great delays in obtaining a decision from the Rates Tribunal, the organisation is not getting sufficient popularity with the industries or trade. Location of the Tribunal at one centre for a vast country like India appears to be a further obstacle in this matter. It is suggested that the institute sits therefore in rotation at some of the principal commercial cities like Bombay, Calcutta, Nagpur, Cawnpore or Delhi as well as in Madras (preferably at Bangalore City). Sea centres may be selected for this purpose with its consecutive sittings of 2 months each year, the applicant trade being given option being heard at any centre. In the meantime the Tribunal may conduct preliminary enquiries and be in correspondence with the parties concerned.

Q: 6. Question of costs for obtaining an adjudication is perhaps the most important factor. The railway commission as was contemplated under the Act of 1890 could not function on the very ground of costs. It is more easy to approach a permanent rates Tribunal no doubt but still there are difficulties which must be removed as well.

Relation of the institute to principal commerce centres is likely to reduce a good deal of the applicant's expenditures. Under the present procedure it is possible and practice of a state railway administration to secure services of the best available lawyer incurring huge expenditure. The applicant trader has to follow up for which heavy costs for them are also necessary. The Tribunal sits in the capacity of a High Court hearing an "Original Law suit" though the institute is really for a consideration in problems of "applied economics", that is beyond the scope of a practising lawyer. Legal aspect of the matter is superimposed and the Tribunal is converted to a Court of Law instead.

In dealing with problems of "rates discrimination" or "reasonableness" of rates (railway) such questions as "dependent and independent rail costs" "possibilities of reducing such costs incurred by railroad or competitive services" "average costs of carrying selected traffic" with and without capital costs, price structures of goods employed in inland and foreign trade" are matters of interest for the institute.

As these are materials on which the institute must base decisions the present system of depending entirely on lawyers really requires a change.

Q: 7. To discourage lawyers it is desirable to change the name of Tribunal to that of a Commission or Board. With the Acworth Committee (1920) grip of the finance department (Governments) on the Indian Rail systems Sir Thomas Robertson (1900) had freed them from the Public Works Department. In 1949 as with creation of Railway Rates Tribunal an independent organisation to control rail rates discrimination was given more dignity than its immediate predecessor the Railways Rates Advisory Committee. It is necessary that in public interests the grip of lawyers should be loosened, which is expected from necessary changes of procedure in the matter by the Railway Freight Structure Enquiry Committee.

Unless a change of practice in item 6 can be immediately introduced no improvement is possible, and for which necessary intervention of the committee is highly desirable.

Q: 8. Indian Railway Act (1890) Sec. 26 (1) refer to appointment of a commission by the Governor-General in Council to investigate a particular suit in connection with Section 42 and special report on the same after which it is liable to be dissolved. The commision never worked. The idea of a permanent Railway Rates Tribunal came with Acworth Committee (1920) when a similar institution was growing in U. K. An Independent Tribunal has been sanctioned however by the Government of India only in 1949.

The word Tribunal savours of a law court, for which many acute difficulties are noticed—*vide* item 7. Great changes have been effected since 1890 when the Railway Act was passed. It is extremely desirable to make necessary changes in the function and constitution of an organisation to control rail rates which should be in the nature of a commission (permanent), besides adjudicating cases under Section 42 of the Indian Railways Act I.

In U. S. A. (Inter State Commerce Commission) Chairman of the Commission is selected by rotation among the members. The provision of a permanent chairman in the proposed Indian Commission selected from a retired High Court Judge will maintain dignity of the organisation which will not be susceptible to political pressure. The permanent railway member should not have any lien on any railway administration but a railway officer of a rank of a General Manager or a Divisional Superintendent with full conception of "railway operation and managements". There shall be at least a member with thorough concept of applied economics inclusive of principles and problems of transportation. In American Universities Transportation is treated as a major subject of "Applied economics".

There should be additional members (permanent) to maintain proper statistics for the institution. Operating statistics and their application in practice should be a major subject in an organisation intended to control "railways". In Inter State Commerce Commission U. S. A. the value of a department of Statistics is realised. In provisions of additional members for the Indian organisation will be impossible for the present the department may be maintained under the Secretary who must be a very responsible Officer.

Q: 9. If possible the number of members, inclusive of the lawyer chairman should be five. And the commission should control not only the rail roads of Indian Union but the roads and the coastal water services inclusive of river ways.

In U. S. A. the Federal Control of Railways was started as far back in 1887 and as far as 50 years from date, the size of commission was raised *vide* Hepburn Act of 1906 from 5 to 7 members and in order to maintain dignity their salaries were raised from 7500 to 10,000 dollars. The commissions jurisdiction was extended to pipe lines (1908) motor carriers (1935) and to water carriers (1940). The number of members has been further extended from 7 to 9.

In India there is practically no pipe line system to act as a common carrier, but the country has a vast coast line instead more or less controlled by the Government of India. Necessity of a public control of "river charges" was stressed by the Railway Rates Advisory Committee in Case No. 55/1939 Calcutta Flour Mills Association. —*vs*—E. B. Railway regarding rates on flour to North Assam stations.

Q: 10. Indian Railway Act (1890) provided for one or more assessors with engineering or technical qualifications *vide* Sec. 88 to assist the Railway Commission (Temporary). In the light of new developments the commission of the moment should be able to control all forms of transports, highly developed industries interested in marketing their manufactured products within the country and outside and generally assist them in matters of transport.

The assessor system savours of a law court, and an organisation required to deal in problems of railways costs of working per unit in selected traffic inclusive or exclusive of railways capital costs, price structures, markets, or average returns are purely questions of economics in theory and in practice, continuance of the inclusion of assessors does not appear to be necessary. The applicant trade will not be much benefitted thereby.

It would be much better to have an expanded commission consisting of permanent members which can command confidence of the trade, as well as the Railway administrations (inclusive of the Railway Board) for fairness and efficiency.

Q; 11. Railway Board is responsible now for managements of railways costs of working and earnings from different types of traffic under passengers and goods. Permanent commission (Railways or Transports) as we proposed must satisfy itself that transportation is carried with maximum efficiency and absolutely minimum costs, for which maintenance of independant statistics is very important. Railway systems are still more important of modern transport and problems of other forms of transports (Inland) as they arise are only in relation to the rail systems in India. As far as railway transport

the commission should be an Advisory Body to the Railway Board and all copies of similar correspondence must be placed before the Transport Minister of the Central Government.

The Commission's powers should be much greater than adjudication of Sections 41, 42 of the Indian Railways Act therefore. In the Inter State Commerce Commission U.S.A. extensive research work is conducted through its departments of Transport, Economics and Statistics. The American system may be introduced in this country as far as practicable. Transport Commission in India should be an independent non-judiciary body subject to a general control of the Ministry of Transport and Budgetary powers exercised by Parliament (Indian).

Q: 12. Acworth Committee's recommendation for an independent Railway Rates Tribunal was not accepted by Central Government on the apprehension that its decision might damage financial structure of the State owned railway systems British Railways Rates Tribunal was started with different conditions viz. companies railways (amalgamated) required to earn standard revenue. In India the organ of public control of Transports should be fundamentally a non-judiciary body following generally the practice of Inter State Commerce Commission.

The Indian Commission as it appears should be an advisory body in theory, but an independent body in practice. The commission cannot ignore the budgetary considerations not only of the state owned rail roads but of other modes of Transports. In all form of service Transport costs are variable, applying to the rail roads system with much greater intensity.

Instead of a judiciary body as was contemplated by the Indian Railways Act or even the Acworth Committee the outlook of the new organisation should be taken that of a Tariff Commission. Because of the highly difficult work entrusted with the Transport Commission it is necessary that Central Government pays maximum consideration to a selection of the members in the Traffic Commission or Board in charge of Transports, Statistics and Economics and then exercised minimum interference. The recommendation of the Railways Acts for a Railway Commission or of the Acworth Committee for an Independent Railways Rates Tribunal have outlived their necessity

The Transport Board as we recommend with a lawyer Chairman and a number of highly qualified permanent members (or in appointments for 5 years with options to renew) should be more or less an independent non-judiciary body under the Minister of Transport equal in status with the Railway Boards, The Transport Board (or Commission) and the Railway Board should be complementary to each other in the interest of National economy with minimum duplication of services on responsibility.

Commission or a Court of Law. Public control of Transport-machinery in India should be through a permanent commission or Board instead of by a new type of court. Regulations by Commissions are primarily flexible, continuous and informed. It should be composed of well qualified members adequately staffed and finance free from political interference and allowed to function without unreasonable judicial restriction.

If supremacy of the Indian Parliament or Ministry of Transport is to be recognised and maintained the commissions role should be advisory of nature. But as in command of great confidence its advice should also receive their great respects.

Control by a type of legal regulations has a tendency to be rigid and inflexible. Legislative bodies have not generally an administrative machinery essential to effective control. Railway Rates Tribunal as at present in this country is nothing but a new type of court—on lines laid down in the Railway Act of 1921 of England. Acworth Committee of 1920—21 had a similar idea to introduce British practices in India as they recommended it. Even then the British Tribunal wields much greater powers under Sections 42, 45, 47, 49 etc., of their act on the subject of terms and conditions of carriage, classification of merchandise, standard rates for conveyance of merchandise, fixation of through rates, provisions of new exceptional rates etc.

Shri. S. Sinha,

Calcutta.

GENERAL.

In accordance with the notification of your Commission in the news papers, inviting suggestions towards betterment of Railway Freight Structure, I wish to contribute my mite towards the great nation-building work you are doing.

The enclosed paper was prepared in 1952 when I was a member of the accounting staff of the Eastern (B.N.) Railway. While I am not in a position to collect and present current statistics, I feel the picture portrayed will generally serve the purposes of the Commission.

I desire to invite particular attention to conclusions drawn or comments made in paras, 5 to 7, 11, 12; 14, 19, 21, 23, 25, 27, 32 and 33 and request that a study of the Definitions and Explanations in the

Annexure may precede a perusal of the main contents of the paper.

Further, the whole question of the continuance and limits of application of the "Differential rule as to Weight" may please be examined. Attention has been drawn in the paper also to this aspect.

The paper may kindly be returned when no longer required.

Suggestion regarding a better minimum weight condition for Iron & Steel consignments to increase earnings and improve efficiency in wagon loading.

1. Condition "CC" is attached, for a long time to the wagon load rates applicable to a number of classes of commodities booked over Indian Railways. Iron & Steel consignment had belonged to that category for many years prior to 1st April, 1949 on which date condition W/545 came into force instead.

2. The financial and other justifications which persuaded the authorities to this step are not available. Nevertheless, since three years have already passed following the introduction of this new rule, it is high time a close investigation is made into the operating and financial implications of this divergence from a long - established procedure.

3. An examination of the statistics presented in Exhibit: B of Annexure, will show that in the relevant period, on an average, the loss due to the supersession of condition CC by condition W/545 amounted.

(a) for category 1A(*) wagons, to freight on Tons 1-11 cwt. per wagon.

(b) for category 1B(*) wagons, to freight on Tons 2-9 cwt. (Tons 22.9¼ minus Tons 20-¼ cwt) per wagon, and,

(c) for category II wagons, to nil, the weight condition actually governing the cases being condition CC.

4. The above is to be considered with the following in mind :—

(a) That as per Exhibit: A of Annexure. in the same period, on an average.

I. Wagons in category IA, IB, I and II accounted for 82.05%, 11.51%, 93.55% and 6.44% respectively of the total number of all wagons used &

II. Wagons in category IA and IB numbered 87.69% and 12.31% of the total number of wagons in category I.

(b) That, a large percentage of the wagons in category I carried loads weighing less, often much less, than the minimum weight necessary for the application of the differential rule in conjunction with condition 'CC', freight wherefor would have been charged, under condition 'CC', at ordinary class rates applicable to 'Smalls'.

5. We find, therefore, that we lost a large amount of freight in that period through this new rule.

6. As category I wagons, which were solely responsible for the loss, accounted for 93.56% of the total number of all wagons used, we may say that condition W/545, as compared to condition CC, served to decrease the earnings in almost all the cases.

7. A comparison between the per-wagon variations of A.W. from the HNLP of the wagons in categories I and II (*vide* Exhibit: B) will show that, besides the loss of freight, condition W/545 by setting a lenient minimum weight condition, worsened the rate of utilisation of wagon-capacity and thus increased the cost of working expenses per ton of goods handled.

8. Although the above relate to the period named, experience expects the picture in other periods to be of the same order. The monthly percentage and per wagon figures in Exhibits A and B demonstrate a closeness which fits well with such expectation.

9. The question will naturally arise as to why condition W/545 was prescribed or not withdrawn in the meantime.

10. The official justification for its continued retention not being available, various theories have been attempted in this behalf, the most important whereof are as follows :—

(a) Condition W/545 sets a simple average of the CC of the different types of wagons in use as the lower limit and thus results in offsetting the loss in one place by a gain in another,

(b) It is a sort of facility to the trader who offers loads in bulk and condition CC imposes a strain on him,

(c) It is in the nature of subsidy to the Iron and Steel industry, and

(d) It benefits the consumer indirectly, by keeping the market price of Iron and Steel commodities lower.

11. Let us now examine these one by one:—

(a) Scientifically, this kind of average is not suitable for the purpose. It does not result in balancing the loss in one case by a gain in another. If an average is to be taken, the weighted average of the CC's of all types of wagons in use must be worked out. Even then, that cannot serve the purpose. Because, of the three factors, Tare and CC are variable but the maximum gross load of a wagon is fixed. A possible way out may be the weighted average of the HNLP of all the different types of wagons in use. But then again, one cannot be sure that every type and kind of wagons in use having all the different magnitudes of HNLP serve the Indian Iron and Steel Industry uniformly every year, so that the 'balancing the loss' theory does not work out to advantage in practice. On the contrary, as we have seen above, there is only loss, and no gain, to result from this weight condition, which has no effect on the lower CC wagons. It

* For explanation of terms in this paper, please see Annexure.

is better, therefore, not to complicate the problem further, by introducing a fixed factor (*viz.*, condition W/545) in addition to the unavoidable one, I mean, the maximum gross load of wagons.

(b) Anyone who is acquainted with the loading of Iron and Steel consignments at the basic producers' work sites knows that in very few cases they actually fall in need of such facility. It, being a low minimum weight for charge, merely indulges them in inefficiency in loading our wagons. Large number of consignments are booked to the same consignee of the same destination every day, week or month. There is much scope for loading wagons to the utmost possible limit of capacity. A stricter LNLP, will on the one hand, help develop a trade custom of ordering or despatching goods in economical lots or quantities (much research has been, and is being made on this subject of economical lot, batch or quantity for the different trades and industries in the U.K. and the U.S.) and on the other, benefit the bulk consignor through better loading as described in para 24 below. Moreover, the bleak picture of our wagon shortage (at present, we are annually adding 8,000 wagons to our stock on replacement account) silhouetted against the background of the expected increase in industrial production through the Five-Year Plan and the recent amalgamation of Martin Burn's two giant iron and steel concerns, lends poignance to the question as to how far we can afford to waste our wagon-capacity through the grant of such facility.

For, is it not the prime canon in business that the grant of a facility to a customer must fundamentally depend upon the satisfaction of the requirements of economy?

(c) I believe it is not in the nature of a subsidy to the Iron and Steel Industry. But, if it be so, one wonders if the grant of such subsidy was made, known to, or, in consultation with the Indian Tariff Commission, who are there to regulate the industry for the benifit of the Indian Exchequer, the Indian consumers and of the industry itself was it known to the authorities competent to grant tariff protection and assistance and fix prices that the Indian Iron and Steel Industry began to enjoy from 1st April 1949, large remissions in railway freight through condition-W/545 as compared to what they would pay under condition CC?

(d) As there is a price control on iron and steel, goods and these are generally sold at F. O. R. rates, it is a matter for enquiry if, and to what extent, any benefit is accruing from condition W/545 to the consumers in the form of lower prices. An enquiry in this respect is expected to bring out interesting revelations.

12. We must remember here that there is a large number of station-to-station rates for bulk traffic in Iron and Steel from Tatanagar and Burnpur stations to almost all the important centres in India, in addition to the wagon-load rates. There is no scientific reason why over and above them, a remission in chargeable weight will be granted if it results in serious financial loss to the Indian Railways in terms of freight and under recovery of working expenses. The Indian Railways is a state owned commercial undertaking and grant of a facility to a trader or subsidy to an industry must depend upon the question whether such grant reacts favourably on the finances of this organisation or must come through the knowledge and consent of the appropriate regulating authorities of the industry so as to serve the broader interests of the Nation as a whole.

13. Is not the above sufficiently suggestive that condition W/545 should, as early as possible, be withdrawn in favour of a better minimum weight condition?

14. Now, in search for a better minimum weight condition we must explore the whole problem of better loading of our wagons and weigh and judge all possible alternatives.

15. Ideal loading means the employment of the lowest number of wagons of the highest capacity (both per wagon and per axle) to absorb the highest permissible tractive effort of the engine and loading the wagons up to their HNLP limit subject to factors of incompatibility of wagon space and dimension of consignments.

16. For each wagon, then, as a general rule, the loading target should be its HNLP limit.

17. Exhibit B will show that for wagons in categories 1-A, 1-B & 1, the variation per wagon of A.W. from HNLP was Ton 1-11, Tons 2-12 and Ton 1-13½ and that for wagons in category II was 1-0, while for all wagons, it was Ton 1-12½. The same figure for eight wheelers is estimated to have been very near to Tons 3-0. Taking these figures as representative of the present position in this respect, we find we have further concern in this field in addition to the problem of maximising revenue, *viz.*, the improvement of loading efficiency. And both the problems being interconnected, they should be viewed as parts of a single problem and attacked accordingly.

18. The following quotation is appropriate in stressing the importance of better wagon-utilisation :—

> "……the highest priority is being given to schemes essential for supplying the additional carrying capacity required for the increased production of the Five-Year Plan……unfortunately, the resources indicated…… will meet only a part of the total requirements."

19. As the wagon and the wagon-load are the most fundamental factors in railway operation and finance and are at the root of all kinds of operating and administration expense, they deserve the utmost attention even if there were no shortage of wagons.

20. Now, what are the reasons for underloading of wagons? Taking Tatanagar station and Tisco's bookings as a specific case, we might say that the party's staff are responsible for this. But that would not absolve us our responsibility, for seeing that although loading is done by a private

party, it is done in the best interest of the railway. It will be revealing to many persons, as it was to me, to know that, at such an important centre as Tata Worksite, although there are men to see to the sufficiency of the supply of wagons there is none to see that our wagons are rationally utilised. The general reasons for under-loading as stated in para 21 below are also existent in this specific case.

21. The following may be taken to be the reasons for under-loading:

(a) The absence of any incentive for parties to fill up the gap between the HNLP and the LNLP limits,

(b) The absence of wagon rates for loads smaller than those for which they are usually quoted in this country, (Certain foreign countries have progressed much in this direction)

(c) The grant of a lenient mm. weight condition, such as condition W/545 for iron and steel consignments as illustrated by Exhibit 'B',

(d) The existence of the D. R. (In this essay D. R. will mean differential rule as to weight) which rewards the party who loads a wagon even less than the LNLP limit,

(e) The lack of appreciation of, or apathy towards the importance of better loading of the consignor who loads his consignments himself (the benefits, probably not appreciated as yet by such consignor, which may accrue to him through better loading of wagons will be discussed in para 24 below),

(f) The absence of proper executive and statistical arrangements to see that our wagons are, as far as practicable, fully loaded.

22. Now, what can be done to improve efficiency in this respect? The answer obviously would be: removal of the above noted causes of under-loading. Much economy has been achieved in this direction in foreign countries (especially in the U.K. the U.S. and France) through the issue of, and following, loading instructions, designed to effect better loading. Although this is a suitable avenue, I believe this aspect of railway operation should be tackled the other way round. I mean, through creating condition in which consignors would be induced to offer better loads.

23. The following are some of the steps that may be taken in this behalf :

(a) Education of consignors in the benefits of efficient wagon loading.

(b) Prescription of a strict mm. weight condition for wagon-load rates, the limitation of the application, or total withdrawal, of the D. R. and provision of incentives for loading upto the HNLP limit.

(c) The prescription of sliding scales of wagons rates according to weight.

24. The benefits that a consignor like Tisco may enjoy through efficient wagon-loading are, for a given tonnage of goods handled :—

(a) Less number of wagons, less cost of loading staff, (if paid per wagon attended as, reportedly, at Tata worksite), supervision, pilot engine service, weighbridge operation and maintenance, siding track and equipment maintenance, quicker disposal of finished stock and thereby less cost of storage space, interest on capital locked up in stores and speedier production in the shops and finally less number of compensation claims cases.

(b) Less number of invoices, thereby less number of claims for overcharges and saving in the administration overhead. Some of the benefits may also accrue to the consignees.

25. Now, to find a suitable mm. weight condition we must relate the same for each wagon to its HNLP rather than generalise in the manner of condition W/545, for all kinds of wagons.

26. Here, condition CC may be examined. It imposes as the mm. weight for charge the HNLP of the wagon used. This is the highest charge possible at wagon rates. It does not, however, prescribe any mm. weight for loading below which wagon rates would not be applied. The D. R. supplies that.

27. But the D. R. (A) allows wagon-load rates even when the mm. weight condition is not fulfilled, (b) results in calculation in every case by setting different minimum limits for loading for (i) different distances (ii) wagons of different HNLP and (iii) wagon-load and station-to-station rates.

28. In other words, by virtue of the D. R., the greater the haul or the HNLP or the reduction in rates, the greater is margin between the HNLP of the wagon used or the mm. weight for charge and the mm. weight for the application of the D. R.

29. Since the facility of wagon-load rates is granted for the sake of the economies inherent in maximising wagon-utilisation, inefficient loading indulged by the D. R defeats the very objective of wagon-load rates.

30. Again, due to the existence of the D. R., grant of a station-to-station rate means the grant of a reduced rate plus a greater range of laxity in loading.

31. If it is argued that the weight of a load is dependent upon factors other than railway rates and regulations, the loss of revenue through the D. R. may be pointed out.

32. In view of what have been stated in paras 27 to 31 we find that

(a). Where condition CC is imposed, the D.R. is relatively tolerable.

(b). Where condition W/- is imposed, the D.R. is not supportable.

(c). Where station - to - station rates are granted the D.R. is all the more disadvantageous

33. In consideration of the above, the following suggestions are offered as to a suitable minimum weight condition for iron and steel consignments (Divisions A, B and C, excluding pipes):

(A) (i) Either, condition CC with D.R. be imposed,

(ii) or, condition CC without D.R. be prescribed, with suitable mm. weight for loading* related to the HNLP of the wagon used e.g.,

(a) For wagons of a lesser HNLP than Tons 21/- 1 Ton less than the HNLP of the wagon used,

(b) For wagons of a greater HNLP than Tons 21/- 1½ tons less than the HNLP of the wagon used,

(c) For eight-wheelers, 2 Tons less than the HNLP of the wagon used.

(iii) or such mm. weight as suggested in (a), (b) and (c) of (ii) above may be prescribed as the mm weight for charge as well as for loading.

(B) A bonus system of granting a reduction in the chargeable weight of 1 to 5 cwt. per completed ton of load in excess of the mm. weight for loading may be introduced.

(C) Along with notifications of station-to-station rates, the mm. weight/s for loading as well as for charge may be prescribed, disallowing the application of the D.R.

34. The above suggestions may be considered, 'mutatis mutandis' with reference to other commodities for which wagon-load rates are applicable. Where however, condition W/- is prescribed, the application of the D. R. should be disallowed.

35. Every possible step should be taken to remove the causes of under-utilisation of our wagon-capacity.

36. Collection of statistics and dissemination thereof to appropriate levels of responsibility to apprise all concerned of the current standard of efficiency achieved in utilisation of wagon-capacity, should be provided for.

*By "mm. weight for loading" is meant the weight loads below which will be charged for as 'smalls'.

ANNEXURE

Subject:—

Exhibit:—A. Statistics of the distribution of wagon over different categories.

Exhibit:—B. Statistics of Wagon-loading performance.

Scope:—(a) Iron & Steel consignments (Divisions, A, B, and C excluding pipes) of M/S. The Tata Iron & Steel Co., Ltd, booked Ex. Tatanagar to foreign Railway Stations *via* GMO.

(b) Consignments charged at ordinary class rates applicable to 'Smalls' excluded.

(c) Very few wagons of marked CC equal to Tons 12-0 or tons 18-0 appeared, which, for the sake of homogenity, have been excluded.

(d) Period:—April to June, 1951.

Definitions and Explanations:—

(a) HNLP means the highest net load permissible to loaded into a wagon; this is the lower of (a) tons 33-0 or tons 66-0 minus tare and (b) marked CC plus 1 ton or 2 tons, as the case may be, according as whether the wagon in question was a four wheeler or a bogie.

(b) LNLP means the lowest net load permissible for the grant of wagon-load or station-to-station rates, according to the weight condition attached on the assumption that the differential rule was not in force.

(c) Category I—. In this category fall those wagons for which the HNLP is above 545/- maunds or 1090/- maunds according as whether the wagon in question was a 4 wheeler or a bogie.

(d) Category I-A:—In this category fall those wagons of category I which carried net loads weighing more than maunds 545/- or maunds 1090/- according as whether the wagon in question was a 4 wheeler or a bogie.

(e) Category I-B:—In this category fall those wagons of category I which carried net loads weighing less than maunds 545/- or maunds 1090/- according as whether the wagon in question was a 4 wheeler or a bogie and thus took advantage of the differential rule. No wagon carrying a net load equal to maunds 545/- or maunds 1090/- appeared in the period under review.

(f) Category II;—In this category fall those wagons for which the HNLP is less than maunds 545/- or maunds 1090/- according as whether the wagon in question was a 4 wheeler or a bogie.

(g) Numbers of wagons have been expressed in terms of 4 wheelers.

(h) The monthly totals and the grand totals have been calculated without any approximation up to the final figures which are correct to the nearest ton.

(i) Per wagon figures are correct to the nearest quarter of a CWT.

(j) Percentage figures are correct to the second place of decimals.

Notes: (a) All figures have been compiled from the TFC Credit notes with the utmost accuracy possible.

(b) Secondary and subsequent documents showing figures for individual wagons have been preserved for further analysis.

(c) Absence of the following statistics in this regard must be attributed to the limitation of the compiler's resources:—

(i) Analysis by classifications of the marked CC's of wagons.

(ii) Actual loss of freight through supersession of condition CC by condition W/545.

(iii) Figures relating to wagons carrying loads less than the minimum weight necessary for the application of the differential rule in conjunction with condition CC.

(iv) Figures relating to a whole year are comparison between those of the same periods of two consecutive years.

(v) Grouped frequency distributions of wagons of the different marked CC classes grouped according to the different actual weight classes, and the different statistical derivatives thereof to show the nature and extent of variation of actual weight according to marked CC.

EXHIBIT A.

DISTRIBUTION OF WAGONS

Months.	Categories	Category I		Category II		Category IA.			Category IB.		
	Total	No.	Percent of Total	No.	Percent of Total	No.	Percent of Cat. I.	Total	No.	Percent of Cat. I.	Total.
1951											
April ...	582	550	94.52	32	5.50	494	89.82	84.88	56	10.18	9.62
May ...	543	502	92.45	41	7.55	440	87.65	81.03	62	12.35	11.42
June ...	491	460	93.69	31	6.31	392	85.22	78.62	68	14.78	13.85
Total ...	1616	1512	93.56	104	6.44	1326	87.69	82.05	186	12.31	11.51

EXHIBIT B.

WAGON - LOADING PERFORMANCE.

Categories	Months.	Number of Wagons.	H.N.L.P.		L.N.L.P*		A.W.		Variation of A.W. from H.N.L.P.	
			Total	Per Wagon.	Total.	Per Wagon.	Total.	Per Wagon.	Total.	Per Wagon.
	1951		Tons.	T-C.	Tons.	T-C.	Tons.	T-C.	Tons	T-C.
I A	April ...	494	11240	22-15	9890	20-¼	10467	21- 3¼	773	1-11¼
	May ...	440	10014	22-15	8809	20-¼	9320	21- 3¼	694	1-11¼
	June ...	392	8926	22-15½	7848	20-¼	8363	21- 6¼	563	1- 9
	April to June ...	1326	30180	22-15½	26547	20-¼	28150	21- 4½	2030	1-11
	1951									
I B	April ...	56	1246	22- 5	1121	20-¼	1107	19-15	139	2-10
	May ...	62	1385	22- 6½	1241	20-¼	1233	19-17¾	152	2- 9
	June ...	68	1545	22-14½	1362	20-¼	1354	19-18	191	2-16½
	April to June ...	186	4176	22- 9½	3724	20-¼	3694	19-17½	482	2-12

EXHIBIT B.—(*contd.*)
WAGON LOADING - PERFORMANCE.

Categories	Months.	Number of Wagons.	H.N.L.P.		L.N.L.P.*		A.W.		Variation of A.W. from H.N.L.P.	
			Total	Per Wagon.	Total	Per Wagon.	Total.	Per Wagon.	Total	Per wagon.
	1951									
I	April ...	550	12486	22-14	11011	20-¼	11574	21- 0	912	1-14
	May ...	502	11398	22-14	10050	20-¼	10553	21- 0	845	1-14
	June ...	460	10471	22-15¼	9210	20-¼	9727	21- 2¾	754	1-12¾
	April to June ...	1512	34355	22-14¼	30271	20-¼	31854	21- 1	2511	1-13¼
	1951									
II	April ...	32	626	19-11½	626	19-11½	593	18-10½	33	1- 1
	May ...	41	807	19-13½	807	19-13½	767	18-14	40	0-19½
	June ...	31	612	19-14¾	612	19-14¾	581	18-14¾	31	1- 0
	April to June ...	104	2045	19-13¼	2045	19-13¼	1941	18-13¼	104	1- 0
	1951									
Total	April ...	582	13112	22-10½	11637	20	12167	20-18¼	945	1-12¼
	May ...	543	12205	22- 9½	10857	20	11320	20-17½	885	1-12½
	June ...	491	11083	22-11½	9822	20	10298	20-19½	785	1-12
	April to June ...	1616	36400	22-10½	32316	20	33785	20-18	2615	1-12½

*Uunder condition : W/545.
(a) for category I wagons LNLP = Mds. 545/- = Tons. 20-¼ Cwt. approx:
(b) for ,, JI ,, ,, = HNLP of the wagon used.

Shri N. K. Mukherji, Debagram, Nadia.

PART 1—A

Q: 13. (a) Should be less as before, that is 0-8-0.

(b) No.

Q: 14. No, should not be altered.

Q: 15. All commodities should be placed in one class.

Q: 18. In case of any additional charge for special express goods service such traffic will not be attractive and paying both to the traders and the Railway. So, the additional charge should not be suggested, if so, the revenue of the department will be less due to the hard competition of the lorries at present specially where the good roads are available.

Q: 19. Existing rates for loading and unloading for heavy consignments are very high. The rates should be reduced and the conditions should be liberal.

Q: 20. The facilities for carrying live-stocks and animals are quite inadequate. Adequate accommodation and facility should be given and improved type of special wagon should be made. I think that the rate is quite all right.

Q: 21 (a). 25 miles only may be considered as "short distance" traffic, where the alternative modes of transport are available more facilities for the short distance" traffic should be given to adjust the Railway income.

(b) No. Railway freight rate should not be adjusted to avoid the short distance traffic.

(c) No. If so, Railway revenue must be less and so more facility should be given for the "long distance" traffic and special arrangement should be made to increase the wagons.

Q: 23. A freight pool should be created to keep fairly uniform on all India basis for sugar, sugarcane, jute, seed, kerosene diesel, lubricating oil, cement, chemical fertilizers, manures, the "minimum distance" of traffic should not be taken into account.

Q: 24. Beyond the limited radius of Calcutta the jute cultivation is not paying to the cultivators due to the freight charges increased and it has become uneconomical. The uniform pooled freight must be introduced on all raw jutes, brought to Calcutta.

Q: 25. Special suggestions are to be taken from the department of Railway industrial concern and specially from the agricultural concern. The suggestion should be judged by the appropriate Government agencies and then that should be framed.

Q: 26. The present freight structures should be equivalent to the market rate of agricultural products so as to keep those commodities economical to the growers, more and quick transport facilities should be available to them for rapid development.

Q: 29. The telescopic rate for the agricultural products which has been adopted by the department of Railway has been unfavourable ; that should be according to the market rate of the products and equal for mileage which is minimum so as to see that the agriculture may not be uneconomical.

Q: 30. The development of the country for the purpose of agriculture and industry should also be taken into consideration, Railway freight rate should also be adjusted according to the market rate of the commodities as to see the production may not be uneconomical.

Q: 32. The Railway freight structure should also be utilised for the purpose of agriculture and agricultural bye products.

Q: 33. Some assistance should be given for the establishment and development of the sugar industries by fixing of freight rates according to the requirement of the sugar factories, freight rate should be less, quick transport facilities should be given for the Second Five Year Plan, to stop the foreign sugar import which is not less than 5 crores of rupees. the special consideration should also be given for the economic development of undeveloped area.

Q: 34. For the construction of new lines inflated mileage should be introduced for the next 5 years after construction and it will not be burdensome for the people for a new line as it has been proved transportation by other facilities are uneconomical when there is no Railway line.

Q: 35(i). Quick and free movement should always be available and new lines should be constructed where there is no transport facility available.

(ii). The revenue may be increased adequately to meet the increased maintenance and operation costs if corruption be stopped due to mal-administration.

Q: 36. 15% of the total revenue perhaps has been lost due to the corruption. Revenue will be increased to meet Railway finance by stopping the corruption.

Q: 37. The Railway freight structure should be utilised to assist the purpose of village cottage industries and agriculture by adjusting the freight rates, quick transport facilities providing warehouses or temporary storage as the commodities may not be damaged or lost, which usually happens at every station and storage should also be available to them for perishable commodities where the electricity is available in the station.

Q: 45. Chemical manures, slags, diesel oil and cakes freight rate is burdensome to the agriculturists according to the market rate the most important commercial crops such as jute, sugarcane, and paddy.

Q: 46. Jute and sugarcane have been increased sufficiently in our area but the target has not yet been achieved and it has been expected within the 2nd Five Year Plan the target will be achieved specially in sugarcane and jute, important commodities now-a-days in our area.

Q: 47(i). Yes. The small agriculturists are in difficulty in disposing of their produce the rate for the wagon which has been applied and the facilities for the wagon suppliers should be same to the cultivators ;

(ii) Ware houses for temporary storage for the producers either themselves or through agencies, through co-operative bodies or through private interest should be provided on equal platform. Same facility should be given for quick clubbing of the commodities.

Q: 49. Lorry service has been introduced more or less 500 miles and the 25% of the volume.

Q: 50. Lorry has been introduced for rice, paddy, jute, sugarcane and other stationaries. For more or less 200 miles.

Q: 51. Extension of sugar factories.

PART I-B.

ANNEXURE VIII.

1. (a) ***Jute.***

51—52	52—53	53—54	54—55
	43,000 Bls.	52,000 Bls.	56,000 Bls.

(b) ***Sugarcane.***

51—52	52—53	53—54	54—55
	20,79,000 Mds.	13,77,000 Mds.	23,75,409 Mds.

2. (a) The effect of the Freight Structure after 1948 and 1953 is that the total cane crop has been transported by the carts and recently by lorries, as the rate of the sugarcane has been increased by the department unreasonably excess carelessly.

(b) The jute has been moving by the rail but it has been most uneconomical to the cultivators due to its excess freight rate.

3. The 50%, of the total crop has been moving by rail, except sugarcane and the others has been despatched by lorries.

4. Jute Rs. 30/- average in the season.
Gram Rs. 6/- do
Paddy Rs. 9/- do
Sugarcane Rs. 38/13/- per ton.

5. 1— 50 ...
1—100 ... } 18,00,000 Mds.

सत्यमेव जयते

SECTION V

Replies from Universities and Colleges

to

the Questionnaires issued by the

Railway Freight Structure Enquiry Committee.


सत्यमेव जयते

Dr. V. V. Ramanadham,

M. Com. (Hons.), Ph. D. (Andhra), Ph. D. (Lond)., Assoc. Inst. T. (Lond.,)

Reader in Commerce, Andhra University.

Andhra.

GENERAL

An attempt has been made to answer only such questions as do not relate to actual Statistics of business or industry, which those engaged in it are expected to supply. Further such questions as have theoretical implications from the stand point of transport, economics and national economic policy are answered in some detail.

PART I-A

Q: 4. The practice of carrying a commodity beyond 1,500 miles almost free of charge may be continued, since the need for such transport is probably based on insurmountable natural factors. Even if such shipments are charged beyond 1,500 miles, the difference in railway revenue is not likely to be considerable.

Q: 5. A separate termihal charge as also a "short distance" charge is justified on the basis of service costs; and shipments which cause operating disadvantage or expense or the railways ought to be charged pecially in respect thereof. On the other hand, the case of break of gauge is not entirely similar. While short hauls are a characteristic of traffic, for which it alone is responsible, the break of gauge is not a matter for which the responsibility lies with the traffic. It is the product of the unplanned railway construction in the country over more than a century. I would suggest, that all the costs consequent on transhipments as breaks of gauge should be pooled and treated as any other overhead cost to be recovered under the principles of rate making adopted by the railways namely, the value rates in the case of India.

Q: 8. It is desirable to abolish the empty haulage charge rather than extend the charge to all the Railways. The problem of empty return wagons is applicable to all the commodities, though in the case of oil the specificity of design of tank wagons makes it appear as a particular problem. It is desirable to give the benefit of low rates where empty wagon movements are not met with, by offering special rates in the sections concerned.

Q: 12. The minimum charge for certain wagon loads ought not to be uniform as at present. The idea of a wagon load is to pass the economy of operating large sized shipments to the traffic concrned to some extent, but not to bring about uniformity in charging the different commodities. The principle of rates varying with the class of commodities, which underlies the system of rates as a whole, ought to be reflected in the minimum charges for wagon loads also.

Q: 13. As regards "Smalls", the uniform rate need not be replaced by minimum charges varying with the class of commodities. This appears contradictory to the above answer. Apparently it is. But there is the difference that classified rates on "smalls" would have the effect of diverting a lot of them to the lorries.

Q: 21. The implication of the question is two-fold-firstly, that the railways may raise the rates because "short distance" costs are high and secondly, that the railways may raise the rates in order to divert the traffic to other means of transport and thus remove the strain on themselves. Where the proplem is congestion on railway capacity, the flow of traffic to the other means of transport would be almost automatic. It would be wrong in theory to keep the "short distance" rates at unremunerative levels and thus stifle the development of road transport. The minimum necessary condition for any scheme of transport co-ordination is that no charge shall be lower than would cover the direct costs.

Q: 22 There are no adequate data of freight rates on road. But from the facts collected by me during my recent investigation for the Government of Andhra into road transport, my conclusion is that the road rates are absolutely variable with the conditions of supply of lorry space on the spot and at the discretion of the haulier. One point not to be missed in this connection is that the road rates are lower than the railway rates in many cases, not because road costs are invariably lower, but because the hauliers live on a losing business.

Q: 23. A freight pool is unjustifiable as it removes the influence of relative distances from the field of not only freight making but, what is more important, from the field of industrial location itself. I may refer to the case of petrol, in respect of which the Motor Vehicles Taxation Committee of 1950 recommended a freight pool, such that the price of petrol may be the same in upland towns as at the ports. This recommendation is not a justifiable one. And the recent Taxation Enquiry Committee have expressed their opinion against it. Considering the commodities listed out in the questionnaire, for example, coal, oil, steel and cement, the inequity of blanketing the rates structure, without reference to the distance factor, is obvious and is bound to lead to a great disaster and illogic in the matter of industrial location in the country. The development of areas far remote from those materials should be tackled as a problem of backward areas and special rates may be judiciously arranged. Perhaps the least unjustified freight pool is in connection with salt, a commodity mentioned in the questionnaire for it is a necessity for the common man, and on sheer grounds of welfare economics the pooling system may be adopted.

Q: 24. Here the assumption seems to be that the price of raw jute obtained from the factories at Calcutta is constant and that the freight charges may go up leading to a lesser share of the ultimate price to the cultivator. It does not however follow that it would be uneconomical to grow jute away from Calcutta. For, if there is demand for such jute the price for jute in the Calcutta market would be sufficiently high to attract that production as well. This is the normal result of the laws of economics. It is where the cultivation of raw jute is over and above the requirements of the mills that distant production suffers from the problem assumed in the question. A uniform pooled freight is most undesirable in respect of this raw material.

Q: 25. It is good that this question is asked. With regard to salt and perhaps certain foodgrains the freight pool, if decided upon, should be worked by the appropriate Government agencies, since it involves questions of regulating the output in its regional aspect. Railways cannot be able administrators of such a pool; and in no case can it be left in the hands of the industry concerned, because there is a tendency for the existing interests entrenching themselves and arresting new entrants into the field. Even these pools should be of a limited zonal type and certainly not of an all-India nature.

Q: 26. The only modification in the present freight structure which the plans call for is that the backward areas of the country ought to be accorded special treatment. This, however, ought to be based on deep discussion and approved policies of Parliament; and the Railway Board ought not to be the sole arbiter. Beyond this I think it would be undesirable to mix up too much the issues of railway rates and the Plans.

Q: 30. Station-to-station rates may be revived with a view to giving effect particularly to the above suggestion and helping backward areas. Concession rates applying to limited and well defined areas or zones are better. The example of Ceded Districts in Andhra may be mentioned here.

Q: 31. The railway freight policy ought to reflect the economics of carriage and also subserve the needs of railway finance. But these two criteria by themselves are a dangerous combination when the railways are a State monopoly. There is a tendency for errors being committed, as a result of which the trends of technical progress in the field of transport as a whole may be arrested for the sake of direct narrow benefits to the railways. The case of road transport and coastal shipping may be particularly mentioned in this context. The second objective, beyond the immediate interest of the railways which ought to be upheld in formulating the railway rates structure is that of industrial development and social returns accruing from the railways freight policies to the nation as a whole. It may be worthwhile to adjust the railway rates in such a way that, though the immediate gains of the railways are limited, the country benefits by way of considerable compensation in other respects. Such an outlook is particularly to weigh with the Railway Board in the short run, though I agree that financial objective in the long run must do sufficient justice to the recovery of all costs, including interest charges, of the railways. The question of safeguards in the application of the other criteria I have suggested above can only be of nominal importance as long as the railways remain a department of the Government. Of course, Parliament could be trusted to apply those criteria with care. But Parliament is primarily a political body. The best safeguards would be available only if a public corporation were formed. I am aware that this recommendation would be too far-fetched in the context of the present question, if not the terms of reference of the Committee itself I would therefore submit that at least Parliament should consciously probe into all aspects of the non-railway criteria and may even set up an expert Committee to deal with it in coming to proper solutions.

Q: 33. Some distinction in favour of the new industries is desirable particularly those which have long been left out by private enterprise on considerations of profitability. The favour should be for a short period only. It would be difficult to specify the length of this period, for there are other facts of the problem which lend it some objectivity—for example, how long, if at all, does the Government give any financial or other aid to such industries and does the Industrial Development Corporation take them up as projects specially in need of public aids in promotion and management? There is, however, one important condition. The favourable distinction of new industries ought not to bring in, by the back door, the offer of concealed subsidies to Government enterprise. This would be a temptation too difficult to resist; yet it is one that ought to be nipped in the bud itself.

Q: 34. If I understand the question as implying rates on the basis of a "national" mileage longer than the actual mileage in the under-developed areas, I would not agree with the suggestion. For it is the nature of under-developed areas not to be able to afford such charges. Such a scheme would only postpone the day when the railway lines would attain self-sufficiency.

Q: 35. A part of the answer is already implied in the above passages. A specific addition may be made here, namely, that, if at any time during the short period, there is a conflict between the needs of railway finance, particularly in respect of the payment of dividend to the Government, on the one side, and the interest of traffic or general economic and industrial development, on the other, the latter should be given a prominent place. As I suggested earlier, this cannot hold good for ever. In the long run the efficient contribution of the railways towards the economic prosperity of the country must be based on no other principle than that the full costs of railway operations are duly met. Q: 36 is also answered in part here.

Q: 37. It would be unleashing a principle of unknown and probably dangerous potentialities to let the railways become an agency in assisting the village and cottage industries. Whatever help these should get in the view of parliament, they ought to get from outside the railways. The entry of railways into the field would complicate and confuse their problem.

Q: 38. When the Government fixes ceilings for certain prices, the railways are

under a disability in that they cannot raise their freight rates, even if it were necessary to do so. In other words, the Government makes the railways bear a part of the burden of price controls or price stabilisation. And this has its own broader implications, *e.g.*, the public sector bears the incidence of price ceilings in part.

Q: 39. I have no data as regards the commodities on which present rates are below the cost. But such rates are unjustifiable on economic grounds. Wherever they do not cover even the variable costs, it would be a wise policy to bring about gradual readjustments. In the case of salt and certain food grains it may appear as justifiable not to revise the uneconomic rates if any, beyond a certain point. The social grounds on which such a view is appealing to the public are understandable. At the same time the need is well served by operating a freight pool, subject to the remarks already made above.

Q: 40. The general impression sought to be conveyed by the question is that in the near future the net cost of railway transport is bound to be higher than at present. As I stated earlier, there is no escape from the fact that traffic should pay all the railway costs in the long run. Or else, the new outputs and their locations would turn out to be a legacy of physical planning, not based on grounds of economic propriety.

Q: 41. Fluctuations in the conditions of the export markets must be given due consideration in making not only adequate but quick adjustments in the freight rate concerned. It might be a good devise to encourage rail-cum-shipping "through" rates in such circumstances.

Q: 43. Where an agriculturist cannot avail himself of the benefit of low rates applying to wagon loads, the solution is not to reduce the rates for him at once, but every effort should be made to offer him facilities for warehousing etc., as envisaged in the question itself. It is even desirable that the railways should take positive interest in promoting such arrangements.

Q: 49. It is difficult for me, as for any other individual, to give accurate data on the possible changes in the traffic movements in Andhra as a result of the planned developments under the Second Plan, for the simple reason that the Second Plan has not yet been finalised. The Government of Andhra may be able to offer some reliable data on the basis of which the likely consequences on traffic movements may be guessed by the practical men of business.

Q: 54. Perhaps it is outside the spirit of of the enquiry to extend it to cover the principles of railway profit. If the railway rate level, which is a broader concept than the rates structure, or even the goods rates, is linked up in some way with the question of railway profits and dividends, a great change would be introduced in the field of railway finance; and I think it is long over due.

PART II

Q: 8 to 13. The O.R. and R.R. rates are intended to concede to the shipper the benefit of lower rates when he undertakes to absolve the railway from the responsibility for damages and to enable the railway to collect high rates where it is asked to bear the risk itself. The questions that arise here are—firstly, the desirability of the two rates, secondly, the difference between the two rates, and thirdly, their mechanism.

As regards the desirability, it seems preferable to let the shipper of any commodity have the option of choosing the lower rate. If the higher R.R. rate is meant to cover the risk borne by the railway there is no rational reason on economic grounds why the shipper should not be conceded the option of the lower rate where he relieved the railway of the risk.

Turning to the difference between O.R. and R.R. rates, we may visualise it as composed of two elements. In the first place a small portion of it may be intended as a premium payable by all the R.R. traffic towards the general risk borne by the railway in the process of carriage. Here the analogy is that of insurance in general. But it is not strictly right that the R.R. traffic only as against all traffic, should contribute towards it. Of course there is some limited justification, namely, that it is only the R.R. traffic that impose the risk on railway.

It is in fact the other element, namely, the actual risk imposed by the commodity in question, that should form the important part of the difference between the O.R. and R.R. rates. It may now be appreciated at once that, as the risk varies from commodity to commodity, the difference should also vary. Likewise the risk involved in the carriage of smalls is on the whole greater than with wagon loads; hence the difference should be greater relatively in the case of smalls.

Here the reference is to the absolute difference. As the rates on smalls and on commodities of high value and characterised by risk are relatively high under the present rate making methods (*e.g.*, what the traffic will bear), the fixation of a percentage for the difference between the O.R. and R.R. rates would automatically vary the absolute differences from case to case. For example the percentage would be applied to relatively high rates which the commodities and hauls imposing high risk already pay. Perhaps the percentage may be progressive, within limits, if it is the experience of railways that the risk involves in the case of the highly rated commodities is not fully covered by the uniform percentage adopted for the difference.

Already a few things have been said above as regards the last point, namely, the mechanism. This can be kept very simple by adopting a percentage to arrive at the difference between the O.R. and R.R. rates. The percentage may be varied within limits to cover particularly risky cases.

In conclusion, every shipment must be offered the option of O.R. rates. To abandon them in favour of a complete structure of R.R. rates is inadvisable, because in many cases the shipper might find it advantageous to send his commodities by an alternative agency, either bearing the risk for himself or even imposing it on that mode itself.

PART III

Q: 1. The Railway Rates Tribunal was set up in a background of ideas gained from the experience of a similar Tribunal in U. K. While introducing the Bill, Dr. John Mathai, the then Railway Minister, visualised broader functions for it than Parliament ultimately acquiesced in. There is no question of restricting its present functions. It is desirable, on the other hand, to widen the functions so as to cover (a) passenger fares and (b) the freight rate level. At the moment the Tribunal cannot question or enquire into the general level of rates. It is limited to matters of rates structure. If the rate level comes within its purview the Tribunal would automatically have a say in adjudging the amount of profits which the railways ought to earn. It is of course a debatable issue whether Parliament should not reserve that power to itself. However, as state monopoly is the most effective form of monopoly it is more necessary than under private enterprise to empower a judiciary body like the Tribunal to uphold the profit targets of railways from time to time. Such a mechanism has existed in U.K. prior to nationalisation and still exists in U. S. A. Actually Parliament has specified the Government's claim to divide at the rate of 4 per cent for the next five years. But there is no definition of the amount of profit that the railways could earn from the passengers and goods as a whole. To put it bluntly, the railways may earn anything beyond 4 per cent. This is a wrong position under conditions of State monopoly. The Tribunal ought to be empowered to adjudge it from time to time, subject to Parliament's views and resolutions periodically.

The functions may be widened, further, by empowering the Tribunal to initiate investigations. Under the social and literary conditions of India, many complaints that ought to be looked into are not sponsored and taken by individuals to the Tribunal. If the Tribunal has its own volition and initiative, it may examine any case that seems suspicious. Reference may be made, in this context to the recent conferment of such powers to the Monopolies and Restrictive Practices Commission of U.K.

There is no question of narrowing down the Tribunal's powers and transferring any of them to other bodies.

Q: 2. The existing position should continue, under which the Government should apply to the Tribunal to raise the rates on a particular commodity by classifying it in a higher class. Though some arguments may be found for the Government, raising (or reducing) all class rates, to empower it with such powers with reference to particular commodities may prove dangerous in some cases; for they may be abused on political grounds. I may be permitted to refer to one of my answers already submitted in respect of Part I of the questionnaire. I argued against special rates for the products of village industries on that ground alone. If the government transfers to itself the power to shift a commodity high or low, it may act in a manner incompatible with the canons of railway economics, which it is desirable to maintain in practice, apart from their theoretical soundness.

Q: 5. To transfer such powers to the Government and empower the Tribunal to hear appeals against the Government's action amounts to raising a problem and then trying to meet it. It would be infinitely better not to quote the problem at all.

Q: 10. It would be desirable to have a few persons as continuing members of like panels for a certain period, say a year, while a few others should be taken specially for every case. This procedure combines the advantage of immediate experience on the problem at issue, brought in by the latter members, with the element of continuity in the nature of assessments, ensured by the continuing members. These members may be relieved after a certain period and fresh persons taken in.

Q: 11. There is no need for an independent body with powers of fixing freight rates and dealing with complaints. The entire question of rates has three parts: firstly, the general policy in fixing rates, secondly, the fixing of rates, and thirdly, the adjudgment on rates. The first ought to be the prorogative of Parliament. The second is an executive and managerial function which cannot be separated from those entrusted with the management and working of railways. In the present circumstances this happens to be the Railway Board and therefore there is the danger that Government or Parliament may unduly interfere with the function. If a Corporation is set up this possibility is removed. The last function is a judicial one and must continue to be the jurisdiction of the Tribunal.

If this analysis is appreciated, there is no difficulty about reconciling the powers and functions of Parliament and the Tribunal. It is when the relative spheres are not properly defined that there is confusion about such reconciliation.

Q: 12. As suggested above, it is because the railways are now under complete State monopoly that an independent judicial body like the Tribunal is paramountly necessary. The analogy of the Tariff Commission is defective. There can never be a Tariff Commission with powers of initiative and mandate as these are entirely matters for policy decision by the Finance and Commerce Ministers. The Tribunal, on the other hand, has the only function of judicial examination of the business practices of the railways. Hence it ought to possess mandatory powers. To alter it into an advisory body would be to revive the old Railway Rates Advisory Committee under a new name. It would be proper to let it lie in peace in the pages of history to which it has been rightly relegated.

BOMBAY

The University of Poona,

Poona.

PART II.

Q: 1 to 4. No reply.

Q: 5. (a) In respect of compensation claims paid by the railways the quantum of payment appears to be in the following order:—

(1) Payment arising from thefts and pilferages.

(2) Damage to consignment due to rough shunting and rough handling.

(3) deterioration due to delay in transit.

(4) Misdespatch.

(b & c) No reply.

Q: 6. No reply.

Q: 7. (a) It appears that the trading public has derived considerable benefit from the new provision of the law *i.* e. Indian Railways (Amendment) Act of 1949.

(b) No. It appears that the provisions are not likely to operate to the disadvantage of the Railways.

Q: 8. No comments.

Q: 9. It is desirable to reduce the disparity between the two sets of rates. The disparity should not be arbitrary and rigid.

Q: 10 to 15. No reply.

Q: 16. As far as possible compulsory packing conditions should be extended to all commodities which need packing in transit.

Q: 17. (a) It is necessary to make provision of warehouse facilities in the Railway yards of important commercial and industrial centres for storage of goods prior to despatch or after delivery.

(b) The Railway Department alone can and should take up this scheme of provision of warehouse facilities. This work should be taken up by the Railways as expeditiously as possible.

Q: 18. No reply.

Q: 19. Yes.

(1) The railways should ensure that their employees are not involved directly or indirectly in thefts and pilferages. It has been found in a number of cases that the railway staff is at least indirectly a party to thefts and pilferages. The railway staff should be above corruption.

(2) Negligence on the part of the railway staff should be severely dealt with.

(3) The State Governments can do much by requiring their police force to maintain vigilant watch (particularly at night).

(4) The Railway guards in charge of goods trains should be armed. Wherever necessary the guards should have an adequate number of assistants to guard against thefts and robbery (particularly at night).

Q: 20. No reply.

Q: 21. The claims should be paid more promptly. Rules and procedure regarding the making of claims and the payment of claims should be reviewed with a view to make them simpler.

PART-III.

Q: 1 (a) The functions of the Railway Rates Tribunal should also include the function to initiate investigations in regard to freight rates.

(b) Yes. The Tribunal should be given the power to initiate investigations in regard to freight rates and make recommendations to the Railway Department.

(c) No reply.

Q: 2. No reply.

Q: 3. I agree with the suggestions.

Q: 4. & 5. No reply.

Q: 6. I do not agree with the statement the cost to the parties for obtaining a case adjudicated by the Tribunal is too high. However, I suggest that the cost can be reduced by simplifying the adjudication procedure.

Q: 7. No reply.

Q: 8. No modification is necessary.

Q: 9. No change is necessary.

Q: 10. (a) The present systen and procedure should continue.

(b) The present system is quite satisfactory.

Q: 11. I do not approve of this suggestion.

Q: 12. I favour the continuance of the Railway Rates Tribunal.

Shri R. A. Podar,

College of Commerce & Economics,

Bombay.

PART I-A.

Q: 3(i). The new classification with 15 classes and 13 wagon load scales is definitely an improvement over the previous classification. There is, however, still room for expansion of classes and for a more scientific re-grouping of commodities. Thus, for example, in the present classification in Class I are grouped such cheap commodities as stones, ashes. earth with bricks, bone-meal, chalk, pulses etc. in Class II bamboo is grouped with chemical manures, agricultural implements with saw dust, waste paper with straw-board and so on. This will indicate that there is still some room for re-grouping of commodities.

Q: 5 (i) (iii). The rates quoted by the Railways are for the service of carrying goods from one point to another. The Railways, however, render many other services such as weighing, marking, labelling, loading, unloading etc. and are therefore entitled an additional charge for such services. Similarly, they incur additional expenses for transhipment at break of gauges and therefore charges to cover these services are also justified.

This, however, does not mean that the Railways should be free to fix up any lump sum amounts as terminal charges and transhipment charges and turn them into sources of profit. Such charges should be split up into their constituent parts and should be just sufficient to cover the expenses for services rendered. If a shipper performs any of these services himself, there must be a proportionate reduction in the terminal charges quoted. Further, the shippers must have a right to challenge them before the Tribunal and the responsibility to prove that they are reasonable must be placed on the Railways and not on the shippers.

(ii) As against these charges, a separate 'short distance' charge is wholly unjustified under the present rate structure. In the past, when there were 'Flat rate', an additional charge for 'Short distance' was justified. With the adoption of the principle of telescopic rates, however, short-distance traffic is invariably made to pay a disproportionately higher charge. If this charge is found to be inadequate, the telescopic rate may be revised upward but there should not be a separate charge for short distance traffic.

Q: 8. If some railways are levying a charge for haulage of empty tank wagons to loading stations, there should be no objection to extend it, in the interest of uniformity, to all the railway companies. Further, it would be logical to extend it to all special wagons as well as ordinary wagons whenever there is empty haulage. The present discrimination against tank wagons alone and by some railways is therefore unfair. It would, however, be more, reasonable to *abolish this charge altogether* for all than to extend till to a cases of empty haulage.

Q: 14. A small consignment of 7 seers or less can be easily sent by a parcel train or even by post. Carriage of such consignment by goods trains also does mean duplication and wasteful operation. To minimise this, the minimum weight for 'smalls' by goods trains should be raised to 15/20 seers.

Q: 18. Theoretically, whenever a special service is offered, there is a justification for an additional charge for the same. The provision of special express goods service, should, therefore, entitle the railways to collect an additional levy from the goods so carried. It is, however, a sad commentry on the efficiency of the Indian Railways that even after hundred years they have not been able to accept the obligation of a fixed time-table for goods service. Now at least they should experiment with a weekly or bi-weekly express goods service between important cities and for this they may charge a small additional charge per consignment. Once the shippers realise the value of such a service and the savings arising from it, enough traffic would be forthcoming to fill a train once or twice a week and then this additional charge should be abolished and gradually the express service should be extended to as many places as possible.

Q: 21. It is difficult to believe that the overall charge for 'short distance' traffic is generally unremunerative.

(a) It is true that the motor transport has offered a keen competition to the railways, especially in the carriage of short-distance traffic. To minimise this competition, which is to a certain extent wasteful, the policy of co-ordination has been accepted. This implies that a means of transport which is the best for a particular type of traffic should have that traffic reserved for it and no other means of transport should be allowed to divert it to itself by quoting lower rates. If this principle is correct, it follows that the railways should not try to attract short-distance traffic (that is traffic up to 150 miles) by lowering its rates and allow the motor transport to carry it. This, however does not mean that the railways should be allowed to raise their short-distance rates for those who prefer the railways to carry their goods even when the motor transport is available.

(b) Once the railway rate structure is based on the principle of telescopic rates, there is no justification to modify freight rates for short-distance traffic.

(c) Under the present conditions when there is a shortage of wagons it would be worthwhile to allow coastal shipping to carry long distance traffic in those commodities which would find coastal shipping cheaper. At present, much of this traffic is carried by the railways. If it is handed over to coastal shipping, the wagon-shortage would be relieved to some extent and as

the wagons so released will carry high-rated traffic, it will also benefit the railways. Adjustment of freight rates to facilitate this would, therefore, be desirable.

Q: 23. It is not the duty of the railways to keep fairly uniform the freight rates irrespective of distances to the manufacturers. It is the manufacturers who are themselves interested in selling their products at uniform prices at different places in the market and for this they may operate a freight pool. In fact, such a pool is being operated by the A.C.C. and the Lever Bros. It is, therefore, not necessary for the railways to undertake the operation of a freight pool.

Q: 26. It is a legitimate duty of the railways to help the economic development of a country and for this they should quote developmental rates, grant concessions and should offer to carry certain commodities at less than the average cost of transport. This, however, may mean financial losses to the railways: but in the larger national interests they should accept such losses.

Q: 31. In an under-developed country like India, it is not enough for the railways merely to provide the transport services to the nation; it must also act as an instrument of assistance to the infant industries and must aid the general economic development of the country.

Q: 32. It follows from the answer to Q: 31 that the railway freight structure can be and should be utilised to assist the development of particular industries. In order to avoid any suspicion of favouritism or partiality, however, specific conditions should be laid down which would entitle any industry which satisfies them, to ask for assistance from the railways.

Q: 34. The policy to charge on the basis of inflated mileage on account of higher cost of construction of new lines is objectionable. The railway rates are determined partly by the cost of service and this is the average cost for the railways as a whole which includes higher cost for some lines and lower for other. This, however, means charging the normal rates which would reduce the railway revenue and surpluses. It might, however, be suggested that only the normal cost of new construction should be credited to the capital and the excess be debited to Revenue Expenses. This would keep down the interest on capital and avoid the necessity of charging higher rates.

Q: 37. It is the duty of the railways to supplement the Industrial policy of the Government. The Government of India and the Planning Commission have accepted the policy of encouragement to Cottage Industries to provide employment and bring about decentralisation. The railways have already granted concession of half parcel rates to the products of the handloom industry. Similar concessions, therefore, should be extended to the products and even to raw materials of other village and cottage industries

Q: 47. One of the handicaps for the growth of co-operative marketing in India is the lack of warehousing facilities. It is true that on the recommendations of the Rural Credit Survey Report, the Government of India have decided to set up the All India Ware-housing Corporation. The railways also can help in this by providing warehouses for temporary storage of agricultural produce. This is a much more legitimate function of the railways than that of operating a 'Freight Pool'. It will not only benefit the agricultural producers but will also be a welcome source of income to the railways.

PART II

Q: 1. It should not be difficult for the Ministry of Railways to ascertain the quantities of at least some selected commodities which, are carried by the railways under R.R. rates as well as Owner's Risk rates. These figures will indicate the nature and the extent of traders preference for either of the rates.

It is, however, common knowledge that the traders prefer to send their goods under Owner's Risk rates and if necessary insure their consignments with private insurers. There are many reasons for this.

Firstly, though the goods are with the railways when in transit their liability is merely that of a bailee and so when the goods are liable to damages for which the railways are not responsible, the shippers prefer to send goods at their own risk.

Secondly, the shippers feel that the R.R. rates are unnecessarily high, the difference between R.R. rates and the Owner's Rates is more than the amount of insurance premium to cover the risks accepted by the Railways.

Thirdly, there is a strong feeling among the shippers that there is a tendency among the railway officials to avoid responsibility as far as possible, for payment of damages.

Lastly, even when claims are admitted, there is a long delay in payment of claims.

Q: 3. It is really fantastic to suggest that the Government of India should be given power to reclassify a commodity in a higher class without prior reference to and approval by the Tribunal. Once a classification has been finalised and put in operation, enhancement must be subject to public enquiry before the Tribunal and the burden of proof must be laid on the Government of India to justify it and convince the Tribunal that it is necessary.

Q: 4. The rules of procedure adopted by the Tribunal seem to have the effect of restricting the scope of its activities. To remove this defect, it should be possible to arrange the hearings at *important cities of India* so that the inconvenience to trade and industry is minimised. The location of the Tribunal in Madras is likely to dissuade many merchants and industrialists from approaching the Tribunal.

Q: 7. Since the decision of the Tribunal has the effect of a legal pronouncement, it is natural for an applicant to secure the services of a lawyer so that his application may not fail on account of some legal flaw. The Tribunal can, however, make the hearing as informal as possible and reduce the technicalities to the minimum. This would convince an applicant that his suit will not fail because of some technical defect and thus enable him to argue his case himself and

thereby save the expenses of a lawyer's fees.

Q: 8. The present practice to quote only R. R. rates for some commodities, both the risk rates for other commodities and so on is unscientific. Under the present conditions when the railways are merely a bailee, the better practice would be to quote Owner's risk rates for all commodities. Whenever shippers request the railways to accept some risk, a fee should be charged by way of premium to cover the risk.

Q: 12. According to the Indian Railways Act, 1890, the railways' responsibility for the goods they carry is that of a bailee which means that the shippers are not insured against all risks even when they consign their goods under R.R. rates. This has been one of the main reasons for the unpopularity of the R.R. rates. The suggestion that the railway should accept all goods at R.R. rates only and reduce these rates if a shipper agrees to relieve them of some of the risks will, therefore, not find much favour with the shippers.

Q: 16. If the Indian Railways Act 1890 is amended and the liability of the railways is made that of a 'Common Carrier' their liability for damage would be definitely increased. They, therefore, must have the power to prescribe strict packing conditions to minimise the extent of damage. These conditions may be of two type essential conditions which if they are not fulfilled will exempt the railways from carrying such consignments; desirable conditions which if they are not fulfilled will exempt them from liability for damages to that extent. The railways should try to prescribe stringent conditions of the second category in consultation with the traders concerned. This, in the long run, will benefit both the shippers and the railways.

Q: 17. Provision of storage facility is not a responsibility of the railways. But if the railways can provide such facilities for goods prior to despatch and after delivery, it will be a great convenience to the shippers. It will also enable the railways to secure full wagon loads and thereby the maximum use of its rolling stock. Further, it will be also an additional source of income to them. As the railways have obtained their land free of cost, it will be cheaper for them to provide such facilities to the shippers.

Q:18. (a) In all other countries, the liability of the railways is that of a 'Common Carrier' and there is a strong public opinion that Section 72 of the Indian Railways Act, 1890 which has placed the liability of only a bailee on the Indian Railways should be so amended as to make them liable as 'Common Carriers'.

(b) With this liability imposed upon them, the railway should be authorised to enhance their existing rates so as to enable them to cover all the risks that they accept. This increase should be based on acturial calculation of various risks involved and not an arbitrary one as it is to-day. The railways then should quote only R. R. rates but if a shipper offers to relieve a railway of some risks, the rates should be proportionately reduced. It should also be open to the shipper to refer the matter to the Tribunal if he feels that the reduced rate so quoted is unnecessarily high.

PART III.

Q: 1 (a). The establishment of the Railway Rates Tribunal was long over due and has been a great improvement over the Railway Rates Advisory Committee. Its functions as stated in the Sections 41 and 42 are quite adequate.

Unfortunately, the terminal charges have been specifically removed from their jurisdiction. There is no reason why the Government of India should be afraid of placing the charges under the jurisdiction of the Tribunal. Further, as the terminal charges are a compound of various fees, it should be open to the shippers to challenge the refusal of the railways to reduce those charges when certain specific functions are performed by the shippers or if they feel that these charges are unnecessarily high.

(b) The Inter-State Commerce Commission of the U. S. has been given the power to initiate investigations in regard to freight rates and similar power should also be conferred on the Railway Rates Tribunal in India.

(c) There should be no reduction in the powers of the Tribunal because this would shake the confidence of the public in that body.

Q: 2. There should be no change in Section 42 adversely affecting the powers of the Tribunal as regards reclassification of commodities. To inspire confidence in the shippers, the Tribunal must continue to be appellate body to whom the shippers can take their legitimate grievances.

Q: 5. It is doubtless true that the cases coming before the Tribunal are not finalised as promptly as desirable. Of the many causes of delay, the most frequent is the time given to the railway administrations to file their statements. It is suggested that only one month's time should be allowed to the railways to file their statement and further the tribunal should arrange for a final hearing within one month after a railway has filed its statement. Thus a case should be settled within not more than three months after it has been filed.

Q: 6. There is a feeling that the total cost of filing a suit before the Tribunal is prohibitive. This has reference not only to the monetary payment for a competent lawer but also to the long delay and the consequent uncertainty about the outcome. A reduction in the fees as well as in the number of witnesses should reduce the cost to some extent. The applicant may be called upon to produce a signed statement from an expert which would exempt him (the expert) from the appearance at the tribunal. In case of doubt or dispute, however, he should be required to attend the hearing.

Q: 8. The rule that the members of the Tribunal must be persons who have attained high standing in the legal world should not be departed from in order to inspire the confidence in the minds of the public.

Q: 9. At the present moment, it is a healthy tradition that the Tribunal should sit as a bench. This ensures that human bias is minimised to a great extent.

Q : 10. The system of associating assessors is a very useful and desirable method of settling a dispute between the Railways and the public. From a study of the cases before the Tribunal for the last four years, it can be said that the assessors have discharged their duties creditably. It is true that on some occasions, railway officials -assessors from the railway panel—have voted in favour of the railways not because the railway's case was just but because they were railway employees and so bound to defend the case of the railway. Such instances have been very few and so do not vitiate the merit of the system of association of assessors. It should also be possible appoint as assessors persons who are experts in railway economics but are not employees of the railways.

In order to attract competent persons as assessors, the Government at present provides First Class travel and daily allowance of Rs. 50/-. Some industrialists and railway officials have pointed out that compared to what a junior lawyer gets for appearing before the Tribunal, this is not very attractive. It is therefore, suggested that free Air Conditioned Class tickets and daily allowance of Rs. 150/- or so should be granted so as to induce these persons to give the benefit of their experience and expert knowledge. It is also suggested that the railway officials coming as assessors should be treated on par with their other colleagues for this purpose. This will help them to feel that they come as experts and not the employees of the railways and should vote according to the merits of a case.

Q : 11. The suggestion that there should be an independent body for fixing freight rates and dealing with complaints arising therefrom and another for other matters is not sound. The powers of making freight rates must vest with the Government who manage the railways and the complaints against arbitrary rate fixation must be placed before an independent Tribunal whose decisions have the force of law. Such complaints are not different from those arising from undue preference or unreasonable charges for other services and all of them must be decided by one and the same body *viz.* the Tribunal.

Q : 12. It would be a retrograde step to abolish the Tribunal and replace it by an advisory body. The railways are monopolistic bodies and have considerable discretion in the matters of adequacy of service, reasonableness of rate, undue preference etc. The fact that they are owned and operated by the Government does not mean that their decisions in the matters will always be acceptable to the shippers. In fact, there is a strong possibility that the railways might misuse their monopolistic powers and the Government having financial interests in them might defend such misuse. An independent Tribunal to settle disputes between the government and the railways on the one hand and the shippers on the other hand is, therefore, absolutely necessary to protect the interest of the latter.

Basaveshwar College,

Bagalkot.

PART I-A.

Q : 1(a). Generally goods are booked at owner's risk rates. On an average 200 wagons are booked from Bagalkot station monthly of which 50% is booked for cotton at railway risk rates The remaining as groundnut, pulses, food grains etc., is sent at owner's risk rates.

(b) Traders prefer to book at higher railway risk rates in the case of the following commodities though owner's risk rates are available for them :—

1. Silk
2. Textile goods
3. Stationery
4. Radios.
5. Watches.
6. Cotton piece goods.
7. Tea cases.
8. Coffee.
9. Biscuits, Etc.

(c) There is considerable change of practice in respect of booking of commodities. Formerly the goods were booked more at owner's risk rates than now. But now more of them are booked at railway risk rates. Formerly A, B, C, D and H forms were in existence. This system was complicated and cumbersome. The present division seems to be more scientific and is better appreciated.

Q : 2(a). Matches, Radios, Silk, Yarn, Cotton, etc. are generally booked through railway risk rates and they are also insured privately since the railways act only as bailees at present and not as common carriers.

(b) Private insurance covers risks against fire, damage, theft and damage due to wet. The rates of premium vary according to the nature of goods. For instance, regarding cotton the premium is 1½ annas per cent.

(c) Since the prices of all commodities are generally higher and since thefts and accidents are now more common than before on the railways private insurance is resorted to a greater extent in the period 1950-55 than in the period 1945-50 whether they are booked at railway risk rates or at owner's risk rates. This is particularly so in the case of costly articles like cotton, radios, watches, silk etc.

Q: 3. Private insurance was negligible where goods were booked at owner's risk rates in the period 1945-50. But in the period 1950-55 private insurance has greatly increased even where goods are sent at owner's risk rates. The exact proportion, however, cannot be estimated here. For example, loose cotton sent at owner's risk rates are now privately insured.

Q: 4 (a). After the last war the payment of compensation claims by the railways has increased enormously particularly regarding rice, gramdal, gram, tur, turdal, gram-flour, wheat flour, sugar, maida, tea-cases etc. Though securely packed compensation claims paid on tea-cases has been abnormally high in recent years.

(b) The quantum of increase in the volume of traffic of the above commodities is roughly in the order of 1: 3 and the increase in prices is roughly 1: 4. Even though prices of the above commodities registered a slight decline after 1952 the volume of traffic, however, has remained high.

Q: 5 (a). The actual quantum of payment of compensation of claims due to various causes cannot be ascertained in this station. However, claims paid are proportionately higher for thefts and pilferages, damage due to rough handling and shunting and for leakage and damage due to wet. Claims paid due to other causes are not considerable.

(b) The information necessary is not available in this station.

(c) Compensation is generally rejected in the following cases:—

(1) Delay in transit.

(2) Theft and Pilferage.

(3) Fall in prices due to delay in transit.

Q: 6. The principal commodities involved in the rejection of compensation claims preferred are grains, cotton and groundnut. Rejection of claims is generally due to the remarks entered in the booking form by the station staff regarding packing conditions. Often the remarks entered into the column about packing is not favourable to the consignor even though they are securely packed in gunny bags. No estimation of the value of claims preferred can be given.

Q: 7 (a) The new provision included in the Indian Railways Amendment Act of 1949 has benefitted the trading public in so far as that the defectively packed goods and animals are now increasingly being delivered more safely than before.

(b) The above new provision has imposed additional strain on the Railway staff since greater vigilance is required now than before with regard to the transportation of defectively packed goods and animals. Where goods and animals do not conform to the packing conditions laid down by the Act, the difference between the owner's risk rates and railway risk rates should necessarily be narrowed down.

Q: 8. The despatcher of smalls is at a disadvantage since he has to pay proportionately more freight charges than the despatchers of wagon loads. Small traders forming the bulk, should be allowed certain concessions. Regarding Hubli Railway District smalls with regard to commodities like, cocoanut, food-grains, grains, sugar, jaggery, chillies, Maida, bamboos, wooden articles, ground-nut seeds, oil seeds etc. are not booked except in wagon loads. This has put the small traders in this area into a great deal of difficulty and loss. Steps should be taken immediately to restore the booking of smalls in the above commodities in this district.

Q: 9. The difference between railway risk rates and owner's risk rates varies widely from commodity to commodity. Narrowing the disparity between the two rates will result in not only additional income to the Railways but will also ensure security to the consignors since they will take advantage of lowered railway rask rates.

Q: 10. The trading public of this place consider it desirable to withdraw altogether the owner's risk classification existing at present regarding particular commodities. They would not mind paying a slightly higher rate on goods booked at railway risk rates.

Q: 11. It is not desirable to remove the owner's risk rates for the 'excepted' category. If it is removed and higher railway risk rates are substituted in their place it would hamper the business as it would add to the cost of production.

Q: 12. We agree with the view that if a trader offers to relieve the railways of a portion of the risk, he should be allowed a certain reduction in the rates particularly with regard to the transport of firewood, timber, cocoanut, coal, bamboos etc. A 25% reduction in the railway risk rates may be allowed to the trader.

Q: 13. The practice mentioned in the question should continue.

Q: 15. The present standard packing conditions in general and special conditions of packing applying to particular commodities as laid down by the railways should be strictly adhered to. No relaxation need be made in the packing specifications since any relaxation will mean an additional responsibility on the part of the railways and loss to the trading community. We suggest that packing machinery may be more widely used.

Q: 16. We suggest that since industrial skill is increasing in the country compulsory packing conditions to more commodities be prescribed. The Railways should not accept consignments which do not conform to the packing conditions laid down even if the senders state the exact nature of the defect in packing in the forwarding note. In the case of commodities like yarn, cloth, cotton-piece goods etc. the railways should insist on secure packing conditions.

Q: 17 (a) Ware-house facilities for the storage of goods prior to despatch and after delivery are hopelessly inadequate at present. There are no co-operative societies or private firms who are engaged in the provision of warehouse facilities near railway sfations. The railways should extend the shed accommodation themselves or may enlist the work to private parties by calling tenders.

(b) As already stated, primarily the railways should undertake the responsibility of providing warehouse facilities. However, commensurate with the business activity of the town the railways should encourage private firms and co-operative societies to build warehouses by the railway sidings.

Q: 19. Thefts and pilferages are largely due to insecurely packed goods being booked. The railways should insist upon the trading public sending their goods securely packed. However, greater vigilance on the part of the railways needs great emphasis. The shed accommodation should be expanded The sheds should be securely locked. Lighting arrangements should be made in and around godowns. The state government should also provide a posse of policemen for night watching besides the existing railway staff. Vigilance staff without uniforms may be maintained. Rifled policemen in certain notorious zones are required.

Q: 20. It has been a common experience in recent years that thefts in running trains particularly in the case of tea chests and cotton piecegoods are high.

Q: 21. The railways always pay compensation upto the amount of the invoice price only. They, however, do not compensate the other expenses incurred by the consignor such as Octroi, Railway charges and other incidental expenses. The railways would be well advised to compensate the other expenses as well.

PART III.

Q: 1 (b). The Railway Rates Tribunal should also have the power to initiate investigations with regard to freight rates.

Q: 2. The Railway Rates Tribunal alone should have the power of re-classifying commodities. In this connection the condition that re-classification should be made on the application by the Central Government is unnecessary. The Railway Rates Tribunal should be the final authority regarding re-classifying the goods. It should have the power of raising or lowering tariff rates in case of 'particular' commodities also. Such changes should be made not in view of railway revenues but from the point of view of advantage to trade and industry. The Tribunal should re-classify goods after thorough investigation taking suggestions from trade, industry and the Central Government.

Q: 3. The Central Government should not have the power of re-classifying any commodity. The Railway Rates Tribunal alone should have such a power. The trade and industry can directly appeal to the Tribunal for the revision of rates.

Q: 5. There is delay in obtaining decisions from the Railway Rates Tribunal. It is better if Zonal Adjudication Boards are set up at all important centres of trade and industry, competent to adjudicate in matters of dispute. However, the aggrieved parties should have the right of appeal to the Tribunal.

Q: 7. The parties do not represent their cases personally or otherwise due to the fact that they are ignorant of their rights and powers of the Tribunal. Further the Sections of the Railway Act pertaining to the powers of the Tribunal are not known to the public. It is advisable that the relevant Sections be printed in the regional languages and be kept at all booking stations for information of the public. The cost to be borne by the parties in case of dispute being high is also responsible for not representing their cases.

Q: 8. The Railway Rates Tribunal should also consist of competent and experienced judges since the parties feel that full justice is done to them by the judges after hearing both the sides. In all cases of adjudication the judges should sit as a bench and hear the cases without any interference from the other members of the Tribunal.

Q: 10(a). Instead of 3 members with legal experience it is better to have experienced judges only. The panel of assessors should continue.

(b) The formation of two panels as at present and the choice of assessors for individual cases is satisfactory.

Q: 11. It is better to have two independent bodies, one for fixing freight rates and the other for dealing with complaints. The Committee for fixing freight rates should be a technical body whereas for receiving and deciding complaints there should be judicial body.

The Parliament should abide by the decisions given by the judicial body. In case there is any serious disturbance to the budget framed, the Railway Ministry is competent to place before the Parliament its demand for additional grants if necessary.

Q: 12. The Railway Rates Tribunal should continue as a judicial body to adjudicate disputes and no advisory body on the model of the Tariff Commission is necessary. The parliament is not technically equipped to decide disputes arising from freight rates.

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Dharwar.

PART I-A.

Q: 14. The minimum weight for a 'smalls' consignment carried by goods trains may be raised to 20 seers.

Q: 15. All commodities carried by goods train upto a maximum of 5 maunds in 'smalls' traffic may be placed in one class.

Q: 18. For special express goods services there may be an additional charge of 25% for five years in the first instance to be raised to 50% or lowered 12½% in the light of experience.

Q: 34. Inflated mileage at 50% over normal rates may be charged for five years and may thereafter be raised or lowered according to experience gathered.

Q: 36. (a) Passenger amenities.
(b) Staff amenities.
(c) Replacement and repair of rolling stock.
(d) Track repairs.

Q: 54. The Railways should not suffer a loss by handling any kind of traffic. Every one must pay on his way.

PART II

Q: 2. Owner's risk rates may be withdrawn and the same principle may be extended to "excepted" articles also. Adequate enhancement in rates for commodities may be made.

PART III

Q: 12. An advisory body on the analogy of the the Tariff Commission is desirable.

The Head of the Department of Economics, Karnatak University,

Dharwar.

PART I-A

Q: 54 & 55. It will be readily admitted that the present Railway rate policy is much more sound and much more helpful than the one followed under British rule. It is good so far as it goes, but it does not go far enough.

If a country which is mainly agricultural the railway rate policy should be so framed as to encourage trade in agricultural commodities. Such a policy has been approved by all sections of public opinion in the country. A similar policy should be followed with regard to small-scale and cottage industries, especially in view of the present industrial and economic policy of the Government. Enormous sums of money will be spent on these industries during the Second Five-Year Plan period. The Government believes that small-scale and cottage industries are suited to conditions in India and the Government hopes that they will provide employment for a large number of persons, including agriculturists. The Railways can greatly help in the development of these industries. It should be possible to transport the goods produced by these industries at a very low cost. It is not difficult to produce these goods: but it is so difficult to find a market for them. If the cost of transportation could be greatly reduced, it would be possible to extend the market for these goods. The railways can greatly help those who produce or deal in these goods by following an appropriate rate policy. There is need for utmost concession in the case of these goods. The railways may incur some loss, but they can make up by charging higher freight rates for other goods, particularly luxury goods.

Similar considerations apply to certain other classes of goods for instance, books in Indian languages. It should be possible to transport these books from one place to another at a nominal cost in these days of mass education when it is necessary to produce and distribute them on the largest possible scale.

This concession should be available even for short distance traffic in goods produced by small-scale and cottage industries and certain other goods. There may be some objection to this, as it will lead to competition between roads and railways. Our aim should be to eliminate road-rail competition. But an exception should be made in the case of the goods mentioned above. The goods should be transported by rail at concession rates even though the distance involved is very short.

One more point: The present railway freight structure is not sufficiently flexible. It is

necessary to impart flexibility to it. For instance, it should be possible to adjust the freight rates to changes in the volume and direction of India's foreign trade. If there is a slump in foreign trade, it may be necessary to reduce the freight rates on certain classes of goods which are exported. The power to reduce or raise the rates for short periods, say 6 months, should be vested in some appropriate agency. In that case it would be possible to make temporary changes in the freight structure at short notice.

Shri. B. M. Ramalingaya,

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Belgaum.

PART I—A.

Q: 8. At present, on railways freight on liquid commodities moving in wagons includes the charge for haulage of empty tank wagons to the loading station, while on others such a charge is not made. We advocate the abolition of the empty haulage charge on all railways in respect of kerosene as it is consumed in villages by the farmers and in the towns by the common folk. Social justice should be the criterion. So far as the petrol and other liquid commodities are concerned, we advocate the existing charge for haulage of empty tank wagons to all the railways as petrol is consumed by the upper middle classes and rich class of the citizens.

Q: 9. The present classification of the goods, it has been argued, is governed by three factors, namely, the characteristics of the commodities, transport conditions and the prices. But we feel that these three factors are not employed rigidly by the Railways which has resulted in fifteen classes of goods which we feel unnecessary and cause undue hardships. We suggest a reclassification of goods as follows:—

1. Coal and Ores	...	Coal of all varieties, Hard Coke, Soft Coke, Coal hale, Patent fuel, Lignite, Iron, Manganese, Chrome and Bauxite.
2. Grains and Pulses	...	Bajree, Barley, Maize, Dhall Gram, Paddy, Rice, Wheat, and so on.
3. Seeds, Common and Oil seeds	...	Grass, Hemp, Jute, Tamarind, Ajwan, N. O. C., Coriander, Soapnut Seeds, Castor, Cotton, Flax, Groundnut Seeds, Linseed, Mustard, Poppy, Tobacco Seeds, etc.
4. Iron and Steel and Machines other than Electrical	...	Corrugated Sheets Fabricated Steel Works, Rails and Girders, Hoop Iron etc., Rods, Sheets, Sleepers, Channels, Flat Iron Pipes, Boilers, Cranes, Engines, Grass Presses, Indigo Presses, and Printing Presses.
5. Refractory bricks	...	Fire Bricks, Magnesite Bricks, Silican Bricks and so on.
6. Oils	...	Gingelly Oil, Groundnut Oil, Linseed Oil, Kardi Oil, Cotton seed oil.
7. All Textiles	...	Cotton, Woollen, Silk, Linen and other goods.
8. Luxury and Stationary Goods	...	Soaps, Pens, Paper of varieties, Glass, etc.
9. Industrial Raw Materials and Forest products	...	Raw Cotton, Raw Jute, Raw Silk, Wood, Charcoal, etc.
10. General Goods	...	Rest of the goods.

Q: 11. The existing relationship between rates for traffic moving in "Smalls" and in wagon loads is proper. But by enquiries, we learnt that a surcharge of one anna in a rupee is imposed on traffic of goods upto 20 maunds. This, we feel, is unjust and hence propose the abolition of the same forthwith.

Q: 12. The present uniform rate of minimum charge for consignments in wagon loads at Rs. 1-12-0 per ton on the carrying capacity is reasonable and hence no revision may be made by the Railways. So far as the class of perishable commodities is concerned the minimum charge may be reduced to a desirable extent.

Q : 13(a). The present uniform rate of minimum charge at Re. 1/- per consignment is reasonable and no revision may be made.

(b) The minimum charge needs vary with the class of commodities also.

Q : 14. The minimum weight for a 'Smalls' consignment carried by goods train is at present 7 seers. We agree with the proposal that this involves duplication of services both by goods and parcels train and results in wasteful operations. To encourage the traffic of "Smalls" by goods train we suggest measures. First, the minimum weight for "Smalls" may be raised to 10 seers. We feel that this weight is a proper fraction of a maund. Secondly, the delivery of the "Smalls" may be quickened.

Q : 15. We do not agree with the view that for "Smalls' traffic carried by the goods trains, all commodities upto a maximum weight per consignment be placed in one class. Verification between goods is very essential and important to distinguish one commodity from others as the Railways stand to compensate the loss in times of damages, loss of goods and so on.

Q : 16. As regards the appropriateness to ensure better utilization of transportation capacity available from time to time, we consider the following expedients as reasonable and needing further changes :—

(i) Revising the existing 'W' condition in upward direction is reasonable.

(ii) Adopting the present class rate for wagon load only where wagon-load scales are not quoted at present is also desirable although such cases are rare. We feel that no extra charge should be levied for movements in 'Smalls' as it amounts to discrimination in treatment to the goods purely due to their weight.

(iii) To encourage loading upto the fullest extent the wagon actually supplied can hold, certain incentive is very necessary. Hence quoting a reduction in the freight rates for quantities loaded beyond the minimum weight per wagon ('W' conditions) fixed for the different commodities, may serve as incentive.

Q : 17. In addition to the existing three types of freight rates, we feel it feasible to have 'train load rates' as a feature of the railway freight structure. India has been serving as one of the biggest markets, possessing crores of consumers. Goods produced in one distant part of the country are disposed of in another part of the country. Here, we would like to mention that such goods as jute manufactures, iron and steel products and others manufactured in Nortern India are required by the consumers in the South. For such goods 'train load rates' may be quoted which ensure quicker delivery of the goods to the consumers and the market becomes more active than before which is always a healthy and desirable sign of the trade. The railways by quoting such rates could secure larger business and higher revenue. In order to safeguard the interests of the consumers and the railways, we suggest separate arrangement to be made for loading and unloading purposes. Special goods trains may be run for the same purpose. The routine work of the Railways may not be affected. Hence so far as possible special management may be created to look after such traffic.

Q : 18. For special goods services, we propose that there should not be any additional charge. As the special express goods trains move directly from one place to another with only a few halts for watering purposes, the consumption of coal will be less than a train which halts at a number of places. In view of this economy such special trains are going to enjoin, no extra charge may be imposed. Moreover the Railways get ready traffic which enhances the revenue.

Q : 19. The Railways have been supplying cranes for loading and unloading heavy consignments. The handling of the cranes involve the Railways in considerable amount of expenditure. The existing rates for such purposes are reasonable and alteration may not be made.

Q : 20. The existing rates for livestock and animals charged by the Railways are at the rate of 8 annas per mile irrespective of the number of livestock provided they are less than six. This we consider as very heavy to dealers in our livestock and animals. In cases of transportation of one animal or two the same charge appears very unreasonable. Hence, we recommend that if the number of animals is less than six, a minimum charge for each animal may be made.

Q : 21 (a). Although it has been stated that the overall charge for 'short distance' is generally unremunerative, we do not suggest that Raiway should not carry such traffic where there are alternative modes of transport available. In the absence of inland navigation in many parts of India, the only other means of transport is the motor transport. The motor transport usually carries goods from one town to another provided there are both to and fro consignments. If the truck is fully loaded with cargo of the town, it will not pick up the goods from the villages. Moreover there is no regular motor transport in many parts of India. Taking into consideration these difficulties, we propose that the Railways should undertake the 'short distance' traffic. Although the Railways find it unremunerative, they should be governed here by the factor 'social interest'. As regards the mileage, the present distance for 'short' traffic may be maintained.

(b) Freight rates on short distance traffic may not be adjusted to the rates of alternative means of transport to encourage the movement of goods by the latter. No other means of transport could be as efficient as the Railways in the movement of the goods. Therefore the Railways should extend their services to all the consumers. To get larger demand for their services the other means of transport should adjust their freight charges to that of railways and provide as efficient services as possible. Hence we suggest no change in the freight rates for short distance traffic purely for remunerative reasons.

(c) So far as the long distance traffic is concerned, certain commodities may be selected to be carried by coastal

shipping in order to remove the strain on railways. We suggest that such commodities as coal, ores, liquid goods, timber, straw, certain raw materials and semi-manufactured goods.

Q: 22. We are familiar with the freight rates by roads in our region and we feel that they are comparatively higher than the freight rates for short distances by the Railways.

Q: 23. We agree with the view that some commodities, which are essentially needed in different parts of the country, have to bear disproportionately high freight charges owing to their transport over long distances. Therefore we feel it necessary with regard to these particular commodities, freight pool may be created so as to keep fairly uniform the freight rates irrespective of distance. We advocate that such a freight pool may be formed with regard to a limited number of commodities. The commodities for this purpose would be those which are essential to the consumers and which would have a fairly stabilised demand throughout the year, such as cloth, oils, stationary goods, cement, iron and steel products, agricultural implements, manures and fertilisers, wheat, rice and other millets may be selected.

Even if the freight pool is implemented by the Railways, traffic moving over a minimum distance may not be excluded.

We do support a freight pool for coal, iron and steel, kerosene, petrol, cement, chemical manures and salt. But at the same time we suggest to include other essential goods mentioned above.

Q: 24. After the division of the nation, the jute economy created peculiar situation for Calcutta in that she came into possession almost all the jute mills. The main centre of consumption of raw jute being Calcutta, the import of raw jute into Calcutta involves less price to the cultivator as freight charge increases, it becomes uneconomical to grow jute beyond a limited radius of Calcutta. The workers employed in the jute mills should not be dislocated. The cultivation of jute in other parts of India provides an opportunity for cultivator to experiment new crops. Moreover jute manufacturers have heen considered as the dollar earners. Hence, facilities should be created for Calcutta to develop jute industry. This could be facilitated by a uniform pooled freight on all raw jute brought to Calcutta.

Q: 25. The working of the proposed freight pool neither should be vested to the Industry nor to the Government. The Railways are best equipped with their rich experience of the past in the working of the freight pool. We suggest that Government in consultation with the Industry should lay down only the general policy on broad principles. The day-to-day working of the pool may be undertaken by the Railways. To secure efficiency, the interference of the Government in its working may be avoided.

Q: 26. The objectives of the First Five Year Plan and Second Five Year Plan are basically the same, namely, the promotion of welfare of the citizens, increasing the national income, providing employment to as many millions as possible and so on. To achieve these objectives the development of agriculture, industry, transport, communications, river valley projects, generation of electricity and others have been planned. The Trade and Industry are bound to develop in the next few years. Both the internal and external trade requires the assistance of the railways. Hence we suggest modification of the present freight structure to further the economic progress.

Q: 27. This region, namely Karnatak districts of Bombay State, being industrially backward, figures and reasons as regards the waiving of the short distance charge by railways, either in full or in part, for large scale regular movements of industrial raw materials during the three years ending 1954-55 cannot be submitted.

Q: 28. By our consultations with the Railways, we gathered that there have been many requests from the public for quotation of station-to-station rates or for reductions of rates for particular commodities. The Railways have been meeting such requests in cases of such commodities as oil seeds and industrial raw materials as raw cotton, raw wool and so on. They usually grant requests on the importance of the goods to the industrial progress.

Q: 29. The introduction of the principle of telescopic rate evolved in 1948 on the continuous mileage over the different Railways and the abolition of a number of station-to-station rates, have created effects on the trade and industry of the nation. However there has been consistant demand for the station-to-station rates by the industrialists and businessmen for the movement of particular goods. We notice no adverse effects on these factors.

Q: 30. To foster the development of new industries and to assist export trade, station-to-station rates may be revived. Industrial development is of national importance and export trade strengthen our balance of payments position. From these points of view, revival of station-to-station rates is necessary.

Q: 31. There is no form to which the practical railway rate policy could conform. The fixing of railway rates is a complex problem. Various economic and financial factors govern the railway policy. Besides considerations of the economics of transportation and the needs of railway finance 'social interest' should be another objective of the freight rate policy.

Q: 32. The railway freight structure may be utilised to assist tne development of particular industries or other interests.

Q: 33. The Railway Administration may render some assistance to the establishment and development of new industries. In the fixation of freight rates, they could make a distinction between the requirements of industries already established and those nearly planned, which we feel is essential. The new industries have to incur heavy capital expenditure due to the high cost of machinery, land and labour. The output would have to be disposed of at a comparatively higher price. If transport charges of no discrimination are applied to them, the prices would rise to considerable extent. Hence we suggest distinction of the industries on the basis of time, namely those that were established before 1947 and those that were esta-

blished after 1947. Such distinction in freight may be extended for a period of five years and it would be better if it corresponds with each of the Plan periods.

For the same reasons special considerations may be shown for the economic development of under developed areas.

Q: 34. The areas have been under-developed mainly due to the lack of transport facilities. Many of the new lines required to be constructed are bound to be unremunerative due to the high cost of materials and labour. To meet the high cost, we do not propose taxing the citizens either of the whole country or of that particular region. Hence such charges may not be recovered on the basis of inflated mileage for a limited period as it amounts to penalising of the citizens.

Q: 35. Railway freight policy should be best suited to achieve the double objective of facilitating the economic and industrial development and securing adequate revenue for meeting increases in maintenance and operation costs due to the investment of large capital both in the construction of the railway mileage and in the provision of rolling stock and other facilities. For the attainment of these objectives, we propose a flexible railway freight policy. In our view the policy becomes flexible when such clauses as zonal freight pool, All India freight pool, abolition of terminal charges, reduction of transhipment charges, revival of station-to-station rates and special rates for underdeveloped regions are introduced.

Q: 36. To ensure progressive improvement in the standard of railway services, out of the current revenue, we propose the starting of school for training the officers and others in achieving the efficiency in each zone and to impart the knowledge of the railway rates to them. Inspection of the railway work of the officers and others may be made a regular feature of Railway Administration.

Q: 37. Both the First and Second Five Year Plan have emphasised the development of the village and cottage industries. The development of them partly depends on the railway freight structure. Creation of a national and regional market for such goods is very essential as millions of people depend upon such industries. The Railways can help them through modification of freight rates. Village and cottage products should be broadly classified into 4 or 5 classes according to their characteristics, their prices, and packing conditions. The railway authorities may introduce class rates for such goods.

Q: 38. The general policy of Government to control or fix ceiling for the prices of particular commodities may not in any way affect the charging of freight rates for such commodities or the raw materials in accordance with the normal principles which the railways follow.

Q: 39. Under the present freight structure commodities like timber, iron and steel manufactures, raw cotton, bones etc. are carried at rates below the cost of transport. Still, we feel, from the point of view of social interest and economic development the existing rates may be maintained.

Q: 40. During the next five years, the railway transport capacity will have to be increased very substantially. This increased capacity, no doubt, will be absorbed both by 'low rated' traffic and 'high rated' traffic. We do not feel that the cost of haulage of additional traffic of this magnitude will be, if not more, at least equal to the average cost of haulage at present incurred by the railways. Therefore this additional traffic may not involve the railways in increased expenditure from current revenue, or improvement of goods sheds and other development works necessitated by the increase in traffic.

The additional traffic will considerably increase the revenue of the railways and will not in any way affect the development fund and the contribution to the General Revenues.

Q: 41. Fluctuations in the competitive conditions in the export market may be taken into consideration in adjusting railway freight rates for commodities which are mainly exportable.

Q: 42. We feel that there has been considerable change in the pattern of traffic in the post-war period. The Railway services are made available to the civilians, to the movement of the food articles, consumers' and capital goods.

Q: 43. The freight rate policy adopted in 1948, has been able to influence considerably the location and pace of development of industry. The centralization of the industries in a few particular places has given place to decentralization. This could be seen in the case of textiles, sugar, paper mills etc. The traffic of the goods of all kinds has been assisted. The great achievement of the freight rates policy in the field of trade may be described as the extinction of the "black market".

Q: 44. The Karnatak districts of the Bombay state are economically undeveloped parts inspite of rich resources. Hence figures required regarding the Q: 44 cannot be complied with.

Q: 45. The direct requirements of an agriculturist are the manure, seed, implements and so on. Seeds and implements are either secured locally or from a nearby place and no element of railway freight is involved. However, he has to purchase chemical manure on which the railway charge is not much. Hence we find that neither the food crops nor commercial crops in our region bear a significant burden due to the freight charges.

Q: 46. So far as our area is concerned it is purely agricultural and very few industries are known to the people. Out of the four districts, one district namely Bijapur is deficit; and food articles are to be transported to this part. Due to the increased water facilities which are to be provided, the food crops are likely to yield better resulit. We expect the movement of paddy, jaggery, cotton, chillies groundnuts and others to show 20% rise.

Q: 47. We agree with the view that the small agriculturist has difficulty in disposing of his produce quickly by rail. Hence an adjustment in the railway freight rate is necessary. As his market is in the neighbourhood, either a minimum charge of Re. 1

or a charge according to the actual distance covered may be introduced. It will be better and more helpful if warehouses for temporary storage of his produce are provided by railways themselves for convenient and quick clubbing of "Smalls" consignments into wagon loads where necessary.

Q: 48 to 55. The nature and extent of industrial development and other factors in Karnatak districts of Bombay State have not been finalised so as to be included in the Second Five Year Plan. Hence, figures for the Q: 48 to 55 cannot be submitted.

HYDERABAD

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GENERAL.

Proir to October 1948, there were 16 classes in the Railway classification schedule which was framed in May 1936. The Classification schedule prepared in 1936 contained 16 classes with minima and maxima limits for each of the classes. The minima fixed for the respective classes ranged from .100 pie per maund per mile to .166 pie maund per mile, while the maxima ranged from .38 pie per maund per mile to 1.87 pie per maund per mile rising in steps of .04 pie per maund per mile upto the 4th class (actually the 7th class), .05 pie per maund per mile for the next three classes, .06 pie per maund per mile for the next two classes, .07 pie per maund per mile for the next one and .08 pie per maund per mile for the next, while it rises by .11 pie and .12 pie per maund per mile for the last two classes. As far as the actual classification of the commodities is concerned, the commodities were included in the classes, it appears, according to the whims and fancies of the Railway commercial staff, rather than based on any established scientific principles. The commodities included in the particular classes cannot be categorised in accordance with any of the accepted principles of classification as:

(a) Ability to pay		
(b) Nature of the commodities (Physical characteristics)	...	1. Raw vs. Manufactured.
	...	2. Bulky vs. Weighty.
		3. Domestic vs. Industrial.
		4. Articles for which there are substitutes.
(c) Conditions of carriage	...	1. Liability to damage
		2. Method of packing
		3. Size of consignment
(d) Services to be rendered to the goods	...	1. Open Wagons vs. Closed Wagons or tankers
		2. Any other accessorial services
(e) Market Conditions	...	1. Foreign trade vs Internal Trade
		2. Nature of demand for the goods
(f) National Interest	...	1. Nourishing infant industries
		2. Support to the tariff policy.

Even a cursory glance into the classification schedules of May 1936 or of October 1948 is enough to establish the fact that the commodities are included in the classes based on none of these considerations. For example, certain articles of food like rice, wheat, grams and others are placed in class I while even essential food oils are placed in the 3rd or 4th class. Similarly oils and oilseeds are placed in the same class, *i.e.*, 4th class.

The additional feature of the 1936 (pre-1948) classification schedule has been that it was riddled with a number of special rates station-to-station rates, commodity rates, port rates-not to speak of the manipulated block rates and the host of other rates which resulted from the discretionary powers granted to the railway administrations which were used to put down the other agencies of transport like the roadways and inland and coastal waterways.

The Indian Railway Conference Association conducted investigations into the simplifcation of the rate structure as it had existed since 1936. In 1947 a Committee consisting of the Rates Officers appointed by the Ministry of Railways and Transport

went into the question and prepared a complete set of telescopic class rates and wagon schedules. These rates as approved by the Central Cabinet were brought into force from 1st October 1948. The main feature of this classification schedule was that it was a simpler one than its predecessor having fifteen classes. The comparative nature of rates may be stated as under:

Particulars.		May 1936	October 1948
Class Rates	...	16	15
Wagon Load Rates	...	–	12
Special Rates for Coal	...	1	1
Schedule Rates	...	4	–

(Please see also Annexure 1 to the Questionnaire issued by the Committee)

One most important difficulty with the classification schedule is that it is prepared in the alphabetical index order of the commodities. This prevents even our honest and academic observer from a scrutiny of the rates, because it is not possible for one to know the composition of the particular classes as a whole while they can only know in which particluar class any commodity is placed. Though, obviously there cannot be any wrong in this classification schedule, it will be able to serve its purpose better by preparing the list in a class-wise manner at the same time arranging them alphabetically. This has the advantage of facilitating any required changes in the composition and contents of a particular class in relation to a particular commodity by either upgrading or down-grading it to make the classes more representative of the commodities which are included in them.

PART I-A

Q: 1(a). When the classification schedule was altered in 1948 certain commodities were upgraded and placed in the higher classes than what they were previously. For example, cotton, household-effects, oil-seeds etc., were placed in the higher classes. It is however difficult to examine the effect of these increases in the rate structure because there has been great expansion in the economic activity in the country, and consequently the price-land of commodities also has risen. The trend of prices has been towards the increase for agricultural raw-materials, mineral products, articles of food, forest products, domestic and household effects as well as all types of manufactured goods. In the absence of any statistics it is difficult to establish the effect of the increase in rates on industry, or trade or on any one industry in particular.

(b). The adoption of the principle of telescopic rates on the continuous mileage over the different railways in 1948 is a welcome step which has been for long in demand by the members of the mercantile community. This method of charging is helpful not only for the long distance traffic but also for the medium-land traffic. However, the benefits conferred on the traffic of medium and long hand through charging a rate on the telescopic principle are offset by the general increase in the class rates for the goods.

The changes in the rate structure, the composition of the classes and the quotation of special rates on certain specified commodities only and between certain points is likely to have an adverse effect on the industries which are not located at such places where the special rates cannot be quoted under the rules. Though some amount of discretionary power is allowed to the Railway commercial staff, it is very seldom used in favour of the shippers. Instances of this kind may be pointed out from the Central Railway Zone comprising of the former N. S. Railway area for three commodities—Pharmaceutical (medicines), asbestos and Paper. The Central Railway quotes special station-to-station rates from and to Bombay on Medicines and also from Baroda to Madras and Howrah; on asbestos from Mulund to South (Madras, Trivandrum, Calicut, Cochin etc.); on paper from Bombay to Delhi; while these very industries located in the Hyderabad State (comprising of the former N. S. Railway area) are not enabled to derive the benefit of special station-to-station rates because they are not quoted, and consequently they are in a disadvantageous position in regard to quoting competitive rates for the sale of their products in such markets. These three commodities are taken for their representative character, in that they are placed in the 14th class (medicines) 5th class (Asbestos) and 3rd and 8th classes (Paper in rolls N.O.C. and Paper in cases (N.O.C.)) which clearly illustrates the illogical nature of the administration of the class rate structure. To stretch the arguments still further, the freight on paper from Bombay to Madras may work out cheaper than from Sirpur-Kagaznagar to the same place, because the former goes under the special station-to-station rate while the latter goes under the class rates in spite of the fact that the distances in both the cases are unequal.

(c) Due to the increased rates brought into force from October 1948, the medium land traffic is adversely affected; the short-distance traffic which moves over distances below 75 miles is the worst-affected from two sides; firstly the class rates have been already raised, and secondly, a short-distance charge of 6 pies per maund is levied over and above the class-rates. The effect of it has been that the medium land traffic is paying through its nose as there is no alternate mode of transport to compete with the railways. Added to this there is the wagon-shortage at some stations and the shipper has to spend more money sometimes to get wagon allotment or he has to delay the booking of his goods, which in turn means additional expenses for the shipper. The short distance traffic being unable to bear the high rate, is going over to the other modes of transport, particularly the road. There is also the minimum distance charge levied by the individual railways on the traffic going over less than 20 miles distance. If, for instance, the traffic originates at a place which is 6 miles from say, Dronachalam on the Central Railway-Bhogavelu, and is bound to a station 8 miles from Dronachalam, Malkapuram on the Southern Railway on the Masulipatam-Hubli line, the shipper is charged for 20 miles by the Central Railway which is the minimum charged for the goods on a railway receipt and again by the Southern Railway. Thus, for going over a distance of 14 miles the

shipper is charged the rate for 40 miles. This drives the traffic into the lap of the road operator though his charges are slightly higher, but not so, absolutely.

I shall have more to say about the short-distance traffic in answer to the questions that follow.

Q: 2 (a). Under the rules, the individual railway administrations are allowed discretionary powers to quote special rates at less than the class rates as follows :

1. For Classes 1 to 6 :	...	The Chief Commercial Superintendent is authorised to to quote special rates upto 40% below the class rates or of .20 pies per maund per mile, whichever gives a higher freight rate per maund to Railways.
2. For Classes 7 to 15 :	...	The special rates may be quoted upto 50% below the class rate, without any minimum rate.
3. On W. L. A. and W. L. A. R.	...	Schedule rates, the Chief Commercial Superintendants, of the individual railways are authorised to quote a lower rate which is upto 40% below the class rate, for smalls only.

On their face the discretionary powers given to the commercial staff of the Railways look very impressive if adopted sincerely in the spirit in which they have been provided for. The commercial staff of the railways, being persons who tour the areas in which they operate, and by coming into personal contact with the shippers of the localities, (especially the Commercial Inspectors) are in a fit position to do real service for the betterment of the railway finances and to the shippers for their trade and industry. As for as the law is concerned, the provisions are very honest and sincere. But unfortunately, the practice is different.

(b). Regarding this aspect, the law said the better. However as a general statement, it may be stated that the Railways seldom exercise their powers in regard to quoting special rates for any commodities in which the traffic is regular and also for encouraging such traffic. The main reason, if at all, that is usually indicated for refusing to quote special rates is, that the wagon position has not improved. It is a fact that the railways are very much in arrears with regard to the replacement of rolling stock, especially the broad gauge wagons of all descriptions. The picture is in no way bright with regard to metre gauge wagons, though it is not as gloomy.

Secondly, the lay-out of certain stations is such that does not allow the pooling of large numbers of wagons, and the marshalling yards in some of the big junctions are so inconvenient to form long trains due to lack of loop-lines and sidings and even small platforms.

The effect of all these reasons has been that the Railways are not able to cope up with the large volume of traffic which is being offered to them for carriage, and consequently they are not enthusiastic about "creating" more traffic by quoting special rates. On the contrary their headache has been to meet the large volume of traffic, and if possible to "suppress" the same.

The nett result is that these powers go almost unused and the Commercial staff is not put to the necessity of treating more traffic nor are they prompted by the more "humane" considerations of nursing important industries. Unfortunately the framers of the policies of Railways seem merely to remember that the railways are a case of monopoly, but forget that they are also public utilities. Whenever they are asked to devise means to raise more funds, they think of merely raising the rates, but do not worry themselves to see as to how the railways can help the shippers and also themselves by a wiser policy. Without having to raise the level of freight rates, the railways can cater to the growing needs of the traffic if they acquire much more rolling-stock by borrowing funds and reduce the rates to attract all the available traffic, thus maximising the receipts which may be partly utilised for creating a sinking fund for repaying the loans raised.

Q : 3. (i) Even after the Class rates were altered in 1948, the number of classes is still unnecessarily large. It would be sufficient if the number of classes is reduced to not more than 6 and an equal number of wagon load scale rates allowing greater discretionary powers to the Commercial staff of the individual railway administrations. The allocation of commodities to the various classes may be based on a combination of these considerations :

1. Cost of service 2. Ability of the commodity 3. Regional planning requirements and 4. National interest. Besides, two additional classes may be provided : 5. Articles of food (Unmanufactured) 6. Coal and other types of industrial fuels. The minimum limit for each of these six classes should be fixed by taking the average of every set of three existing classes leaving the first class in the present classification schedule as it is. According to this suggestion the rates will be as follows:

Present Classes	Rate (1st leg.) per maund per mile.	Suggested Classes.	Rate (1st leg) per maund per mile.
1	·54	1	0·54
2,3,4	·59, ·648, ·69	2	0·64
5,6,7	·75, ·808, ·86	3	0·81
8,9,10	·92, ·99 & 1·07	4	0·996
11,12,13,14,15	1·14, 1·22, 1·30, 1·55, & 2·32	5	1·60
Special class for coal & other fuels (industrial)		6	0·33

In addition, special W/L rates which should not be less than 40% of these class rates should be quoted, and the difference between the O.R. rates and R.R. rates should not be more than 12½% and less than 6¼%, as it should cover only the insurance charges for the goods.

The advantages that are claimed for this type of classification are, that it is simpler than the existing one in that there are less number of classes. The railways will not lose financially because they carry the traffic in the same classes on an average, and it does not involve any reduction in the freight rates. The shippers will not have any objection because, except in the last classes, there is no intrinsic increase in the level of rates. The ultimate consumer of the goods also does not have to bear the brunt of increased rate because the commodities included in this class are of the nature of luxuries having highly elastic demand and are sensitive to increase in prices. So the interests of all the parties can be adequately protected by simplifying the rate structure.

In many cases, the present classes are illogical. The classes in which the commodities are placed bear no proportion to one another. For instance, Beedies which are a poor commodity and Cigarettes which are a rich commodity are put in the same class, i.e. 12th. Similarly Medicines and Ayurvedic drugs are put in the same class 14th.

The wagon load scales at present, namely, 500 maunds for Broad gauge wagons, 300 maunds for Metre gauge wagons and 180 maunds for Narrow gauge wagons is not justifiable from the facts of carriage of goods by railways. Thus in a Broad gauge wagon of average capacity of 22 tons (599 maunds) the shipper gets the W/L rate if he offers goods in bulk of 500 maunds. The same facility is offered if the goods are tendered by four shippers for the same destination. The peculiarity of the case is that for any excess quantity of goods booked, the railways charge the class rate and not the W/L. rate. Thus, for instance, if a shipper has got to send 600 maunds of pulses by train, he will be charged the W/L. rate on 500 maunds and Class rate on the remaining 100 maunds. In such cases, the shippers prefer to wait for the goods to become wagon load quantities by combining them with those of others. The capacity of a normal broad gauge wagon being 599 maunds the wagon load capacity must be fixed at the capacity of the wagon. Otherwise the goods are detained, the bookings are delayed, and finally the wagons will go in many cases, partly empty which is wasteful.

Even with regard to the wagon load scales for certain types of commodities, the quantities for minimum weight are not based on realities. To take a stray case, like that of jaggery as against sugar, the W/L scale of jaggery is 400 maunds (Broad gauge) while for sugar it is 500 maunds (Broad gauge). It is not difficult to establish that jaggery is a "Poor" commodity than sugar and therefore is not one which can stand a class-rate of 3 while sugar is placed in the 4th class. Moreover, sugar is the product of our organised industry which has long enjoyed the patronising shade of tariff protection longer than most protected industries in India, while jaggery is primarily a Cottage Industry product produced on a small scale by individual operatives. There is no denying the fact that both are articles of food and therefore merit being carried in the lower classes at lower rates. Still it may be asserted that not only the Comparative class rates are illogical but also the W/L scales for both are irrational. In the National interests the wagon load scales for all the products of all types of Cottage industries must be half of the carrying capacity of the wagons while the wagon load scales for the goods which are the products of organised large scale industries must be the same as the carrying capacity of a *model* wagon.

Q: 3. ii (a & b) The "legs" and the rates per maund per mile appear as though they were determined without considering the ability of the commodities to bear the rate. If the legs are longer, it will have an adverse effect on the economics of movement, particularly of commodities which have essentially a local demand in distance ranges of between 100 and 400 miles, even though under the present "legs" the long distance traffic is at an advantage. Taking two commodities of primary importance, pulses and oil-cake, both of which are placed in the 1st class, there is a gulf of distance between the two commodities both in their uses, prices and capacity to pay a rate. Pulses are consumed over a larger area in comparison with the locality of their production, while oil-cake is consumed in India all over the country wherever there are cattle and cultivation, as fodder and fertiliser. More so, the current market rates of the two commodities (for November 1955) are about Rs. 20 for pulses and about Rs. 6-12-0 for oil-cake. At the standard W/L scale rates, the freight charges for moving these two commodities over a distance of 600 miles are Rs. 1-0-6 for pulses and Re. 0-9-7 for oil cake. Thus the freight charges of the oil-cake are about 58% of the other while the price of the latter occupies only 35% of the price of the former.

Therefore it is desirable to adjust the freight charges so that they may be in proportion to the ability of the commodity as reflected in the market rates for them.

Even when the prices of the commodities fluctuate, the freight charges should be suitably adjusted to be in consonance with the market rates of the goods, and proper instructions should be given to the railway staff for this.

As regards the re-adjustment of the legs, they should be so designated as would reflect the requirements of movement of the goods over certain distances and the area of demand for those goods. For commodities having essentially local demand, the legs should be 100, 150, 150 and over while for goods having a wider market, the legs may be 150, 200 and 300 and over. There should not be so many different number of legs for different commodities as it will lead to a large amount of clerical labour for quoting a through rate. By this, the very objective of simplifying the rate structure is defeated.

Though it is difficult to assess the financial implications of the suggested changes in the legs and the adjustments to the freight rates, they can be so framed as not to imply financial loss to the railways under the principle of small profit and large turnover. If the rate is reduced and the carrying capacity is expanded, the returns on capital would definitely be more than proportionate and will get more profits to the Railways.

Q: 4. In the interests of railway finances and also of not allowing any free transport of goods even for the long-distance traffic a fourth leg in addition to the present three legs suggested in answer to quesition (3-ii a & b) may be created upto the remaining distance at a rate which is 60% of the rate per maund per mile of the third leg. However the volume of traffic in this leg is bound to be small and the gross revenue also are bound to be less. This will be an additional source of income for the railways for bettering the finances to make up partially the loss of revenue, if at all, by a reorganization of the rates and reconstitution of the legs to simplify the rate structure.

Q: 5 (i). The terminal charges at present levied by the railways as public carriers is to defray the expenses in handling the goods at the terminus. While in the postal charges, a major part of the receipts from the users is for handling charges at either terminus and a small proportion for the actual conveyance of the mails, the railways collect a majority of their charges as for the cost of service of transportation, and a small proportion for the services at the terminals like goods handling, stationery used, upkeep of the goods sheds, facilities for loading and unloading etc. The cost of all these services rendered will be naturally in direct proportion to the number of consignment handled by them, and also the extent to which the railway equipment is exploited. Theoritically speaking this is a charge levied by the railways for the extra services rendered by them in addition to the main service of transportation. At the current rates, for smalls, the railways collect Rs. 25/- from the shippers if the wagon of average size of 22 tons is utilised to the fullest capacity while for goods booked in wagon loads for the same wagon, the railways realise only Rs. 11/- as terminal charges at each end. There is no question of charging "what the traffic will bear". For these services as they are incidental to the main service of transportation, and at the same time the railways should not make any profit under this head of service. As such the terminal charges for the wagon load traffic also should be in line with the charges for the smalls at Rs. 25/- though rebate may be allowed in the same ratio of 8 : 6 if the goods are loaded or unloaded in the sidings of the shippers, by the shippers.

(ii) The short-distance charge of 6 pies per maund levied on goods carried over distances of less than 75 miles is a new feature consequent on the adoption of the 1948 classification. Now-a-days what with the increase in the economic activity in the country and the consequent shortage of the wagons the shippers are having to wait for long to get wagon allotments. Even in cases of smalls, in certain busy sections of the railways the goods bookings are suspended for indefinitely long periods on account of bottlenecks. In view of these uncertainties, the shippers prefer the alternate agency of transport, namely the road for the obvious advantage of quick movement, saving of the terminal and handling expenses and also the facility of loading at the consignor's godown and unloading at the consignor's godown. Thus in certain cases, it works out cheaper for the shipper to send the goods by road even at a higher cost per unit of transport.

In view of the situation, if the railways persist in collecting the short-distance charge over and above the traffic is definite to be diverted to the road. Already the short distance traffic moved by the railways is small in volume and the revenue thereon to the Railway also is less. The abandonment of this charge does not cause any financial loss to the railways. On the other hand, whenever short distance traffic exists, the railways should enter into working arrangements with road transport agencies to make over such traffic to the latter. If alternate mode of road transport is not available, the goods may be carried at class rates only subject to the rule of minimum charge [as suggested in answer to Q: 1-(c)] because that will adequately safe-gaurd the railway revenues from being adversely affected to any great extent.

(iii) When the individual railway administrations existed the rules for booking and movement of consignments provided that the goods shall be moved by the cheaper route, which was not necessarily the shortest route. The railways also did not levy the short distance charges nor even the transhipment charges though there was a break of gauge, as this change was assimilated in the rates published by the railways as "junction rate lists"

After the adoption of the 1948 classication, the booking rules were changed as follows:—

(a) Consignments will be charged at the cheapest rate and carried by the shortest route;

(b) For determining the shortest route, a weightage of 100 miles is to be added to the shortest route distance for every transhipment involved in the movement of goods.

Thus, even now the cheapest route is not always the shortest route; and by charging

the transhipment charges, the railways are not in any way avoiding the movement of goods by circuitous routes, but are taxing the shippers for the additional levy of transhipment charges at Re. 0-0-3 per maund for smalls and 0-0-2 per maund for wagon loads. All this is an unnecessary levy by the railway which will ultimately be passed on by the shippers to the consumers who will pay more for no mistake of theirs. This is very unjust and must be avoided at all costs.

Besides making the transport costlier, under the present system of routing and booking, goods are even now despatched by a circuitous route to avoid transhipment. Ultimately the railway administrations are not able to ignore what they wanted best to avoid; on the other hand the railways have increased the charges on this count. This leads to unnecessary haulage and greater depreciation to the rolling stock, as well as bottlenecks at busy junctions, particularly on the broad gauge. Further it leads to idling of rolling stock on certain other lines, thus causing loss of interest and dead investment to the railways.

The situation can be substantially improved by merging the terminal charges into the general rate structures and avoiding the imposition of extra terminal charge a revival of the system which existed prior to 1948.

Before passing over to the next question, a word about the "Battle of Gauges" on the Indian Railways:—

The problem of gauges and transhipment on the Indian Railways is not a new one and the Battle of Gauges is being fought from the period between 1870-1874 in time when Lord Napier was the Commander-in-Chief of the Indian army and the result of an historical mistake committed in railway construction. This is a problem which is peculiar to India alone and there is no use of trying to avoid it. What cannot be cured must be endured, by the rates being so framed as to include the transhipment charges and by passing orders to the railway commercial and operative staff to route the traffic by the shortest one only, irrespective of the transhipments so as to ensure a better and fuller utilisation of the railway equipment.

Q: 6. The present system of charging the traffic on the distance unit is the most equitable one in that the charges are varied on the basis of the distance over which the goods are to move. Tha present limit of one mile, in actual practice, under the system of rounding off to the nearest pie, acts as a zonal system of charging for small distances of 3 or 4 miles. The advantages that are claimed for the Zonal system of charging by the railways are that the location of industries anywhere within the Zone confers equal benefits from the monetary angle and it may also facilitate the dispersal of industries. However, the same advantages can be derived by the present station-to-station rates if handled properly.

Even the argument of the long distances over which the goods have to move, and the consequent heavy freight charges which certain commodities have to pay is not which requires correction from the side of the railways. That is a case of illogical location of certain consumer goods industries which are located at those places due to extra-economic considerations like the preference of the entrepreneur for a particular location or other historical considerations. The fact that they declare dividends is enough to support the argument that those industries are not functioning uneconomically. If such illogical location is to be corrected, it should be done by locating the new units to be established in future at places where the raw material and markets are found nearby; when these units start producing at cheaper rates, they will sell better and the older units already established will adjust themselves by economising in other factors or by being shifted to places when the incidence of transport charges on the commodities, to be moved from and such units is at the equilibrium level. However, if in the interests of regional planning and balanced development of the different regions, the location of an industry at a particular place is more justifiable, the Railways can amend their rate list to quote a special rate for such traffic.

For these reasons, I do not support any move to alter the present distance unit for charge from the existing limit of one mile to any other.

Q: 7. personally I am of the opinion that the Railways should treat the traffic for distances below 20 miles on the same lines as of the short-distance traffic, which is, according to the railway rules, below 75 miles. Such traffic, as has been pointed out in the answer to Q: 5 (ii), should be assigned to the road transport which is better suited in this regard Already, the existing volume of short-distance traffic conducted by the railways is so small, that its loss does not cause serious dislocation to the railway revenues.

The rule of charging for double the minimum distance of 20 miles, where the goods are moved over short distances of two railway systems will render such traffic liable to pay double the charges (for 40 miles) if the rule is applied by both the railways separately. This method of double charging should be stopped and only 20 miles should be counted, irrespective of the number of railway systems over which the goods move. Such an arrangement will mean more clerical work to the railways; but the additional trouble is worth taking in order to make the rating more rational in view of the fact that all the railways in the country are state-owned and state-managed. The shippers are entitled to expect at least this much of consideration from the railways.

Q: 8. The tank wagons are used mostly for hauling the products of mineral oil companies—petrol, kerosene, diesel and other lubricants, and groundnut oil, consumed by the Vanaspathi Manufacturing Companies, power alcohol and also for the carriage of water to certain destinations. Out of these, the traffic in mineral oils follows a regular pattern on account of the reason that the loading is always at the port towns (maior ports) and the unloading is at the interior depot towns. As a matter of fact, the wagons, which once carried the diesel and other heavy oils become unsuited to carry the other kinds of traffic till they are completely washed. As regards the traffic in vegetable oils carried by tank

wagons, the demand is varied and does not follow a set pattern because the raw material for such industries is procured from over a large area. According to the available information, certain shippers Caltex etc., are not charged this empty haulage of 0-6-0 per mile on Broad Gauge, 0-4-0 per mile on Metre gauge and N. G. particularly the foreign oil companies Burmah Shell, S.V.O.C., I.B.P. for moving the tank wagons back to the ports for loading. While the reasons for such an arrangement are not readily available, on the fact of it, it looks unjust and may be even personal discrimination practised by the railways which is bad. This charge should be levied on such traffic uniformly by all the railways and on the traffic of all shippers. The railways, particularly nationalised railways, cannot discriminate between party and party. When the railways decide to charge for empty haulage on tank wagons from all shippers, the Government should see that the oil companies which are not so far paying for empty haulage do not put up the prices of mineral oils and oil products. When it costs the railways to render service, they are justifed in charging for it but it should be done uniformly. The railways must be treated as a commercial proposition as well.

Q: 9. The present classification too complicated is that the number of classes is large and there is almost an equal number of wagon load scales and the special rates for coal and other types of fuel. The grouping of commodities is not homogenous or complete in some cases. It is also not possible to give even a reasonable comment on the contents of classes because the commodities are arranged in the alphabetical order for all the classes put together instead of the commodities in each class being arranged alphabetically. Then it will be easier to verify whether the class lists are homogenous or not.

In the cases of certain commodities, their allocation to the classes in which they are placed is irrational. Some typical examples are as below :

(i) Cotton—Raw (8th Class) Cloth—all varieties—Classified as piece goods 13th and 14th classes.

(ii) Cigarettes and Beedies—Both 12th classes.

(iii) Shoes—both leather and rubber tops —12th class.

(iv) Allopathic Medicines and Ayurvedic Medicines—14th class.

(v) Herbs—8thClass—Ayurvedic Medicines —14th class.

(vi) Iron and Steel—Divisions A, B and C—Classes 5, 4 and 3rd.

(vii) Oils and Oilseeds (both in 4th class) (Even the commodities in the different divisions shall be charged).

The entire classification list requires a thorough overhaul to make it homogenous, more representative of the commodities that are handled and to make it satisfy the aspirations of the shippers. As it is, it appears to have been drafted in a haphazard manner. In certain classes, both the raw materials and finished products are included in the same class and, if by chance any particular commodity is not included in any class, it is treated as N.O.C. and is charged at the highest class rate, on the same analogy as that of a parrot being charged as a rhinoceros, because it cannot be classified as either a mynah or a hyena. Thus there are many gaps and inconsistencies which must soon be corrected.

Q: 10. The number of class rates must be reduced and the wagon load scales also should be of equal number while reducing the number of classes, and fixing the minimum and maximum limits of scales per maund per mile, care should be taken to see that the goods are placed in the particular classes in strict conformity with certain accepted guiding principles; Secondly the railway revenue should not be affected. For example, the number of classes may be only six with an equal number of wagon load scales and the division of commodities into the classes may be on the following principles :

(1) Articles of food, industrial raw material and domestic animals.

(2) Manufactured articles serving as the raw materials for processing industries.

(3) Engineering and Mechanical equipment, Building materials.

(4) Articles which are used for consumption, classified as comforts and luxuries.

(5) Dangerous articles, explosives, bullion etc.

(6) Coal and other patented fuel.

Special W/L scales may be provided for each commodity at not less than 60% the class rates.

Q : 11. I only wish to point out that while charging any rate, the railways should not discriminate against "smalls" nor should they unnecessarily tamper the wagon loads by quoting an unduly low rate. The rate for traffic in wagon loads should not be lower than 60% of the class rates and the railways should not levy any additional charge on shippers who offer traffic in "Smalls".

Q : 12. The short-distance rate at Rs. 1-12-0 per ton, coming on an average to Rs. 38-8-0 for a 22 tons wagon charged by the railways becomes inoperative after the 64th mile upto 75 miles in view of the differential rule as to distance, in force in the railways. The rate for 64 miles works out costlier than the rate for 74 miles and this is against the railway rules for charging the traffic and moreover it is not equitable.

The minimum charges are worked out in accordance with the principle of cost of device, and it does not cost the railways anything more to haul that traffic over short distances except that they will have to lose another consignment on which they are likely to get more revenue and that the clerical labour involved is more. The railways are a case of joint costs and as such they have to carry both rich and poor commodities, but they should do so without tears.

As is obvious, the question of levying the minimum charge on consignments arises only in cases of short distance traffic. Such traffic may be dealt with on the same lines suggested in answer to Q : 5, thus spare

the railway equipment for better utilisation on long-distance traffic.

Q: 13 (a). The present uniform rate of minimum charge at Re. 1/- per consignment may be allowed to remain as it is, because the railways cannot collect more since it is unrelated to what it costs the railways to hand the traffic and it cannot charge less because of the cost of clerical labour involved in booking consignments; moreover, it does not materially affect the volume of traffic.

(b) The minimum charge should not vary with the class of commodities for reasons mentioned above.

Q: 14. The minimum weight for "smalls" consignment carried by goods train should be raised to 20 seers from the present limit of 7 seers. Even now though the minimum stipulated weight is only 7 seers for smalls carried by goods trains, the charges are made for a weight of 20 seers.

The responsibility of the railways on smalls in goods traffic is much more in practice because they are more prone to be mislaid than when they are sent by parcel.

The railways already levy a minimum charge of Re. 1 per package both in goods and parcel, which is sufficient to carry the goods over these varying distances, at varying weights as follows:

FOR PARCEL

Weight.	Distance carried.	Charge.
7 seers ...	123 miles ...	Re. 1 0 0
21 ,, ...	70 ,, ...	,, 1 0 0
31 ,, ...	50 ,, ...	,, 1 0 0

FOR GOODS

Class in which the Commodities are placed.	Distance carried for Re. 1/-
1st	805 miles
2nd	714 ,,
3rd	633 ,,
4th	576 ,,
5th	526 ,,
6th	487 ,,
7th	450 ,,
8th	416 ,,
9th	383 ,,
10th	352 ,,
11th	326 ,,
12th	301 ,,
13th	283 ,,
14th	237 ,,
15th	158 ,,

It is therefore advisable to abolish the facility of smalls to be carried by goods trains and transfer them to the parcels, because it will mean only a small additional payment by the shippers over the existing class rate for carriage by goods train, but will bring in the following extra facilities to both parties:

(a) It will mean more revenue for the railways;

(b) It means less head-ache to the goods staff in having to look after the small packets which are more likely to be lost or misplaced both in the goods sheds and also while in transit;

(c) Shippers can send their goods quicker by the parcel trains at comparatively small extra cost; and

(d) Greater safety for the goods sent by the shippers.

Q: 15. The suggestion is tantamount to quoting special station-to-station rates for certain classes of goods which move regularly between two points upto a particular distance. The fixation of maximum weight for "smalls' traffic may also have the effect of limiting the distances beyond which they will not go on the railways, or will not be offered to the railways for carriage below a certain distance.

The railways cannot naturally afford to lose this traffic; if they insist on placing all "smalls" upto a maximum weight in a single stereotyped class, it will cost the shippers more to move them from places where they are lying to places where they are needed, and naturally they will go in for alternate modes of transport. In such similar situation, they are bound to be exploited by the other public carriers—though the degree of exploitation will have to fall short of the rate fixed by the railways for the carriage of such traffic—and this will automatically lead to a diversion of traffic from rail to road, and the consequent loss of revenue to the railways. Such a situation should not be allowed to develop because railways constituted the largest single national asset to-day.

Therefore the railways should fix a minimum weight for the packages of certain classes of goods say up to the 8th or 10th classes in the present classification schedule either individually or collectively as is the case with regard to wagon load scales. While fixing this minimum, factors like the nature of the traffic, the bulk of traffic and the continuity of flow of traffic between those points should be considered. Consequently the question of the fixation of maximum weight for "smalls" does not arise at all because the maximum weight will be in wagon load.

Below are some places between which there is regular traffic in certain commodities for the carriage of which there is competition to railways from alternate modes of transport especially road. The railways should quote special station-to-station rates so that this traffic may not be lost permanently to railways.

i. Udgir to Hyderabad *via* Bidar & Zahirabad about 100 miles

ii. Hyderadad to Bezwada about 160 miles by road

iii. Hyderabad to Nizamabad-100 miles

Even here, distances below 75 miles between any of the points should not be considered as it is advocated that the railways should seek working arrangement with road or other transport organisations to bring about better co-ordination between railways and other means of transport, particularly the road transport.

Q: 16 (i) The minimum weight conditions for a wagon-load should be the capacity of a model wagon, namely 599 maunds or 22 tons instead of the present 500 maunds (B.G.)

The railways now charge at the class rates for any traffic which is in excess of the quantity for wagon loads but is less than the carrying capacity of the wagons, instead of carrying the entire quantity offered by a single shipper at one time at the same wagon load rate. This attitude of the railways is responsible for compelling the shippers to leave unused the remaining capacity of the wagons, unless there is acute shortage of wagons and great demand for the movement of goods. Thus 16-2/3% of the usable space on the wagons is now left unused, and this means a loss of at least 3% of the goods revenue to the railways. Further it will also create unnecessary demand for wagons by the shippers, while at the same time they are moving partly empty.

(ii) It is but proper that the railways should quote wagon load rates when goods are offered in quantities larger than a particular limit. This facility should be made available uniformly in all cases, and in cases of those commodities whose W/L rate are not quoted at present, the railways should do so.

After fixing 600 maunds as the limit for wagon loads according to the suggestion made above in answer to Q: 16 (i) if wagons of 600 maunds (22 tons) are not readily available, the consignment may be charged at the lower W/L rate on the actual load that can go in the wagon, and an endorsement on the lines of the low-sided coal-wagons at present obtaining on the railways be made on the railway receipt.

At present, the class rates are already higher than the pre-1948 rates and the question of further revising the rates should be considered only after gaining sufficient experience with these rates, but in any case not before the people are able to enjoy the fruits of the various development works completed during the First Five Year Plan period, which will necessarily accrue only during the Second Five Year plan period. Therefore, it is advisable to leave the present classification untouched for a period of 5 years to come and then think of a major overhaul. In the meanwhile some amount of tinkering may be done to facilitate the free flow of traffic and ensure sound railway finances.

(iii) The existing rules for clubbing of consignments should be so modified as to charge the weight which is excess of the minimum wagon load condition at lower wagon load scales. This would keep the wagons filled to capacity and always moving —(a war-time slogan).

In this connection the railways should always keep in mind that it is not the large shipper alone who uses the railway but also the small shipper. Though nobody grudges the rate concessions allowed to a large shipper who offers goods in bulk, everybody will object, both on grounds of equity and sound economic principles, if the small shipper is penalised by being charged a higher rate simply because he does not consign in bulk. If this attitude takes roots in the minds of the railway managers, it is bound to lead to the diversion of traffic and may ultimately kill the goose that lays the golden eggs.

Q: 17. The existing three types of freight rates are (1) Class rates (2) W/L rates and (3) Station to station rates which are also called lumpsum wagon rates.

The train load rates, in my view, do not have any reasonable chance of success because of the following reasons:

There are no such single big shipper who can offer traffic in train loads regularly;

Even if such is quoted occasionally, it is bound to be only at long intervals and during other times, it simply stays dormant in the rate-structure.

Q: 18. Express goods trains are beneficial to the shippers in hauling urgent goods and also goods with highly elastic demand, while they are essential for certain types of traffic, *viz.* fruits, dairy products etc. As the shippers derive the benefit of quick movement of goods, they should be made to pay more. For some time, this extra charge will have to be at a concessional rate in order to promote the traffic and make it attractive for the shippers to use this facility.

Q: 19. At the stations where heavy loads are handled, the railways should provide stationery cranes of 5 tons average capacity. They should collect the actual costs of operating the cranes from the shippers, and for calculating the same factors like the life of the crane, provision for depreciation, repairs and renewals etc., should be considered and standard costs of operation should be established. However, it should be remembered that the railways' main business is to provide the service of transportation, and they should make profits only on this, while they should collect only the actual expenses from the shippers for the other accessorial services rendered like terminal charges, handling expenses for transhipment, crane services and others irrespective of the class of traffic handled. So to say, the crane charges collected should be on the same principle as was suggested for terminal charges in answer to Q: 5 (i). In order to see that this principle is scrupulously observed, the schedule of crane charges should be elastic and should be subjected to review periodically.

Q: 20. The capacity of a wagon for the movement of live-stock should be fixed and taking this into consideration the class-rate should be designated for any excess loaded, in accordance with the available floor-space in the wagon, a proportionate extra charge should be levied. When regular traffic in livestock exists between any two points, special station-to-station rates below the class rates may be quoted per wagon-mile to attract and retain the traffic.

Q: 21 (a & b). Please see answers to Q: 5 and 15.

(c) It is really a healthy policy to co-ordinate indifferent modes of transport and it should be done to the fullest extent possible. As far as the railways are concerned, any reduction in the railway rate to facilitate the coastal transport may be suicidal to the railway finances. On the other hand, it will be much better if the respective spheres of influence of railway transport and of coastal transport are designated clearly so that one does not conflict with the other either in canvassing or catering to the traffic. This could be better done by means of healthy conven-

tions established as between the shipowners plying in coastal waters and the railways, rather than through legislation. This type of arrangement shall be most suitable for bulky and cheap traffic which is not able to bear the comparatively high rates charged by railways even in the lower classes.

I would welcome such an arrangement between the railways and even the air transport for the carriage of higher class traffic which can bear a higher rate. Now that the air transport in India is nationalised to the same extent as the railway transport, there should not be any difficulty in achieving it. This is to be resorted, more for avoiding wasteful transport at this juncture, than to relieve the strain on railways, which is in the national interest. This will eventually pave the way for the establishment of an over-all co-ordinating body like the British Transport Authority which controls the working of all modes of transport in Great Britain.

Q: 22. For short distance traffic, under the existing arrangements of rates, the railway transport is uneconomic. The position remains substantially the same even if the short-distance charge is abolished. Though the actual cost of road transport to the goods may be more, the shipper gains ultimately as he does not have to spend for moving the goods from his premises to the railway station and *vice-versa* at the destination, and need not wait till he gets wagon allotment in cases of wagon loads and till sufficient quantity accumulates in cases of smalls so that the goods might be moved. Particularly for "smalls" road transport is ideally suited, as the shipper gains both wagons in quick movement and saving in incidental overheads.

To some extent, the same is the case with canal transport and and riverine transport which is cheaper though slower. Both are suitable for moving bulky commodities like grains, cotton, cement etc.

Q: 23. As has been casually mentioned earlier in reply to Q: 6 supra, it is my view that it is not the responsibility of the railways to counteract the evil effects of illogical location of industries in the country. If the location of an industry at a particular place is warranted by national interest, the railways can help it by means of special station-to-station rates. This can also be solved by large scale industrialisation, and by locating the new units alternately near the places of consumption and places where the raw materials are available, in order to avoid the payment of cross-freights.

Q: 24. The transport of raw jute to the mills which are located mostly on either side of River Hoogly is done by means of cheap canal transport and the proportion of raw jute coming to the railways is small. If the places from where jute is transported to his industrial area are situated far away, the railways may quote special station-to-station rates.

This type of problem is also faced by all the sugarcane growers in a small degree all over the country in carrying cane from the farm to the factory.

Q: 25. Does not arise.

Q: 26. Please refer to the Introduction and answer to Q. 3.

Q: 27. No information.

Q: 28. The number of special rates provided for in the present rate structure is small. Usually requests for special rates are made by the shippers, when there is competition from the road transport.

But the railways do not accede to these requests because they are either unable to quote the special rate or they do not have the necessity to quote a special rate as there is already heavy traffic. The main reasons for the inability of railways to quote special rates are :—

(a) Non-availability of rolling stock

(b) Inability of the railways to move the traffic and deliver them to the consignees in time

(c) Congestion caused by the movement of priority traffic like food grains etc.

Q: 29. Though the class rates were raised as a result of their revision in October 1948, the effect thereof is not felt much by the shippers primarily on account of the general increase in the price level and increase in the industrial activity coupled with the increase in the tertiary production. Thus there is no question of the present 1948 rate structure being beneficial to the trade and industry because of the general rise in the freight rates.

Secondly, there has been a large increase in the volume of traffic offered to railways for movement. Even then there has not been a corresponding increase in the rolling stock to meet this traffic, the situation could be met because a large number of surplus military trucks and lorries have been sold to civilians and pressed into service for transport purposes.

At this juncture it is not possible to say anything more until a detailed survey is undertaken to study and investigate into the problem.

Q: 30. The station-to-station rates are very useful for the development of industries, particularly those which are located at places where the general economic factors for the location are not to be found. Normally speaking there is no justification for quoting any kind of special rates unless there are certain special circumstances warranting them being resorted to. The past history of Indian Railway administration has been replete with instances of special rates being quoted to discriminate against the movement of the products of the Indian industry. So there was a lot of public opinions against these special rates.

The real utility of these special rates was understood by the Indians when they were abolished and there was an over all change in the attitude for the better, of the Indian Railway Administration for promoting the trade and industry in the land.

When they are revived, they should be used only in exceptional circumstances in the national interests to give active support to the Government in their industrial policy and for the promotion of essential foreign trade of the country. It should not be used under any circumstances to practice discrimination of any kind whatever.

Q: 31. Railways are public utilities. They should serve all the sections of the society

which are in need of transport service. They are not to be deemed as revenue-earning propositions, though they should not be deemed as entirely monopolistic nor should it be a burden on the users of railways or the tax payers. Thus they should fetch a reasonable return to the investor for the capital invested. For this reason, railway rate making is both an art and science. Besides these considerations, the railways should take into account, the development of the under developed areas, helping the important industries effect proper co-ordination among the various agencies of transport and the encouragement of the foreign trade of the country in its essential features The most important safeguard which must be imposed is the promotion of overall national interests and the maintenance of the sound railway finances so that the railways will not be a burden on the general finance and thus, on the tax payers.

Q: 32. Yes, in a general way, which will not be counter to the general principles of sound railway administration and not with a view to foster the industries located wrongly without regard to the principles of economic location, unless warranted by the national interests.

Q: 38. This is wrong in principle and should not be allowed to happen anywhere; if a new unit of industry which has already been working is newly established, the railways cannot quote a rate specially for that unit of industry alone and another rate for the rest of the units of the same industry located either at the same place or in the vicinity thereof elsewhere. That will be the worst type of personal discrimination practised by the public carriers, which is wrong. However, if the location of that unit at a place which does not possess the economies of location is demanded in the interests of regional planning or the strategic or other national interests, the railways may act suitably by quoting special station-to-station rates to that place without violating the tenets of rate-making.

Q: 34. Particularly in India of to-day, there is no justification for such a step. The railways are national assets serving the country as a whole and not any single region or regions. In undivided India when the North-Western railway was constructed there was no prospect of the lines yielding any revenue at all; still they were constructed and well-maintained for future war-time needs. Similarly even now, the country will not grudge to pay for the development of undeveloped areas if railways are constructed and worked at a higher cost during the initial stages. Instead of charging the traffic on the basis of inflated mileage for a limited period to recover the increased expenses incurred, low rates should be quoted and guaranteed for a certain period till the traffic is "created" in that region so that, traffic may pay its way through.

Q: 35. I think both are incompatible. In the short-run an increase in the rates may appear more lucrative for the railways but that is suicidal for the railways. probably in the beginning the railways may be able to get the revenue with minimum effort, but that will be like killing the goose that lays the golden eggs. The railways should foster the traffic by all possible methods and while so doing they should help the industries also to stabilise themselves. It the industries are well-established, the railways will be benefitted through increased traffic. The railways are the best case of industry in which the Law of Increasing Returns would definitely operate, and the railway capital investment is such that all must be invested in the beginning only, but not gradually as the industry progresses. So, even if the railways are suffering losses in certain new sections in the beginning, they are bound to gain in the long run. The country should not grudge the initial losses.

Q: 36. (1) Maintenance of way and works; (2) Maintenance of equipment: (3) Maintenance of Rolling Stock (4) Traffic expenses.

(a) Quick delivery of consignmants to avoid unnecessary claims for losses.

(b) Provision of proper warehousing facilities and safe-custody of packages.

(c) Maintenance and upkeep of goods yards and goods sheds.

(d) Proper maintenance of marshalling yards.

(e) Quick Loading and unloading to keep the wagons moving.

Q: 37. The cottage industries must be encouraged for various reasons. The railways should help the products of the cottage and village industries by placing them in the lower classes, by relaxing the conditions of packing, by quoting special station-to-station rates, by abolishing the disparity in the O. R. Rates and R. R. rates and all such other methods.

i. *Packing conditions*—Press packed and non-press packed goods of handloom origin should be treated on par.

ii. Cottage Industry matches should go in the lower class than the machine-made matches.

iii. Biddies should go in lower classes than Cigarettes.

iv. Quote station-to-station rates for Cottage goods like matches, soap, wood in toys etc.

Q: 38. Normally the fixation of ceilings for the prices of certain commodities does not affect in any way the railways' charging a rate for the products of that industry or the raw materials of that industry, because in any case the industry passes on the burden of railway freight to the consumers.

Some difficulty is bound to arise if the controls are imposed on a commodity in one region only while in another area there is no price control, nor control on its movements In that case, that commodity may be moved from places far off (where there is no price control or movement control) to the places of consumption instead of being moved from a nearer region. This type of movement is unnecessary and is uneconomic.

Q: 39. Excepting coal and probably salt also, no other commodity moves at a rate which is below the cost of service. There

is no harm in the railways charging a rate below the cost of service for carrying any particular commodity which cannot bear a high rate. Railways are a case of joint-cost and being public carriers, enjoying a semi-monopoly they cannot refuse to carry any traffic that is offered to them for movement. During the process of conducting transport service they will be offered both poor commodities and rich commodities and they will have to recover at least the cost of service from all the commodities over-all, but not necessarily individually. But at this stage of development of railways in India, they should not only be able to pay their way through, but also fetch a handsome return on investment after providing for the different Reserve and Sinking funds. The rates for the carriage of commodities must be fixed after taking the various factors held consideration from time to time, but no hard and fast rules can be laid down either as regards the absolute minimum or the absolute maximum.

Q: 40. The best way to raise the requisite funds for financing the development expenditure is to raise a loan and repay the same by appropriations to Sinking Fund to be created out of the current revenues over a period of 50 years.

In order to improve the finances, the railways should make attempts to effect economies in operating expenses, to make a fuller utilisation of the equipment and by keeping a close watch over the trend of price and the changes in the economic situation with the object of revising the class rates and if possible raise them if the industries are able to bear the high rates for their products. If in spite of all efforts, the railways are not able to achieve any progress in revenue receipts they should consider the extreme step of increasing the rates and fares for those classes where the traffic is large.

Q: 41. In a planned economy, the Government has to foster the exports and curtail the imports to the absolute minimum requirements. Particularly when India has chosen the path of planned development for her progress, it becomes incumbent on the part of all State-owned and/or State-managed and controlled institutions to support the State in its various measures adopted to achieve the objective. Therefore it is but just that the railways should provide facilities to the exporters to quote competitive prices in the foreign markets to establish and stabilise themselves against foreign competition. For this they have to quote special rates and revive the much-criticised Port Rates which existed before 1948. But while doing so, the railways will have to exercise caution and discretion to see that undue advantage is not taken of the situation by unscrupulous shippers, either by insisting on the production of the invoice or of the shipping documents to prevent impersonations. Incidentally, the railways can render solid service to the cause of Indian shipping if they decide to quote the special rate when the goods are to be exported by Indian ships.

While providing this facility to the exporters and helping them when the rates are unfavourable at the cost of railway finances, the railways can make it up by charging the class rates when the prices move in their favour. For this, the Commercial Superintendents of Railways should be granted wide discretionary powers.

Q: 42. The trend of statistics published by the railways indicate that there has been an over-all improvement in the volume of traffic hauled and the gross earnings. The pattern of traffic also has changed from that of mainly agriculture commodities to that of manufactured goods as well. In the pre-war period, the traffic in the lower classes was very large, whereas now, the traffic in higher classes also is equal in volume. The movement of traffic was weighed towards the ports and from the ports before war, while during and after the war, the volume of goods moving within the internal producing and consuming centres has grown enormously.

Q: 43 to 45. No information.

Q: 47. This category of traffic will move generally over short distances and this may be treated in the same manner as the short distance traffic discussed infra.

Q: 48 to 53. No information available at present.

Q: 54 & 55. Please read the introduction to these answers.

MADRAS

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PART I—A

Q: 1. The revised general classification of goods has been fairly helpful to industry and trade. This is particularly apparent from the accelerated internal trade in the past 3 years resulting from production to the extent of nearly 46% in industry and about 30% in agriculture since 1946.

Q: 2 & 3. Nil.

Q: 4. Transport of all commodities beyond a distance of about 1,500 miles may be charged at a lower rate on the principle of telescopic rates.

Q: 5. (i) A separate terminal charge may not be theoretically justifiable for very long distance traffic. But, for short distance traffic it would be essential to cover costs.

(ii) Levy of special short distance charges could be recommended only in the absence of terminal charges for short distance haul.

(iii) Transhipment charge for break of gauge would be inadvisable on long distance traffic. In case of short distance traffic they would be covered by terminal charges proposed to be levied. Any loss of revenue arising out of the suggestion under 5 (i) could be made up by raising freight rates pertaining to higher categories of commodities in the rate schedule.

Q: 6. The logical change from the present limit of 1 mile would be to introduce a system of zone rates. Such zones in a big country like India should be in the neighbourhood of 50 or 100 miles; though this would obviously introduce greater simplicity in the application of rates, it would entail in equities so far as the shippers of commodities are concerned. Traffic whose destination happens to be in the earlier part of the zone will be penalised in comparison with those, whose destination is at the farther end of the zone. The increased revenue that might thus accrue to Railways would not be fully justifiable. Hence the present limit of one mile may continue in the interests of the shippers.

Q: 7. If the existing terminal charges cover fully the expenses of loading and unloading, there is no justification for the existing minimum distance charge for 20 miles. It is only when the expectation is that such expenses should be partly met from the haulage of traffic over a distance, a levy over a minimum distance should be made. In the alternative the fixation of a minimum distance may be for diverting short distance traffic from railway transport. In that event, there is not only a justification for the present rule of 20 miles, but also there could be a case for increasing it.

Q: 8. In the case of tank wagons, there is a high degree of specificity in the purpose it could serve, unlike the ordinary wagon which is capable of being put to a variety of uses. So traffic for the return journey could be more easily secured for an ordinary wagon than for a tanker. Consequently, practice of including a charge for the haulage of empty wagons should be extended to all railways. It stands to reason that the shipper who employs it is to his purpose should bear the expenses for its return journey.

Q: 9. The system of grouping of commodities for purposes of freight rate is based on various criteria such as the value of commodity, degree of processing it has undergone, the nature of packing and the party on which the risk rests. So long as the value of service principle determines freight rates, such classifcation is essential. There may also be a case for making a finer distinction than that what exists at present between commodities of differing value. That would necessitate a larger number of classes than the existing 15 classes. The revenue for the Railways could be enhanced by such finer distinction. A suggestion may however be made regarding the risk element. It would be preferable to levy a progressive surcharge for Railway Risk instead of the present system of reallocation to different classes in regard to owner's risk.

Q: 10. See answer for 9 above.

Q: 11. To reduce the discrimination against "smalls", the relationship between rate for traffic moving in smalls and in wagon loads may be in the ratio of 4:3 instead of the existing 3:2, the rate on "smalls" being kept constant at prevailing rates. This will not entail any fall in revenue; it will on the other hand bring more.

Q: 12. Nil.

Q: 13. The present rate of minimum charge of Re. 1/- for consignment for "smalls" needs no revision.

Q: 14. The minimum weight for a "smalls" consignment carried by goods trains may be raised to 40 seers.

Q: 15. It is not correct to place all commodities in "smalls" carried by goods trains upto a maximum weight in one class, as a shipper can evade the class rate structure by splitting his consignments into smaller units.

Q: 16. For better utilisation of wagon capacity, the third alternative of quoting a reduction in the freight rates for quantities loaded beyond the minimum weights per wagon is preferable.

Q: 17. There is no need to have "train load" rates.

Q: 18. Special Express goods services should bear an additional charge.

Q: 19 & 20. Nil.

Q: 21 (a). Where there are alternative modes of transport, traffic upto 50 miles may be considered as short distance traffic.

(b) Rates on short distance traffic should be adjusted to induce to flow through alternative means of inland transport.

(c) In view of the fact that the sea rates are relatively higher, special revision of Railway rates is needed to encourage diversion to coastal shipping.

Q: 22. The freight rates for short distances by road is relatively very costly and by inland water ways fairly cheap.

Q: 23. A freight pool is desirable. It may be operated on an All India basis for commodities like coal, foodgrains, cotton, oil seeds, sugar, fertilizers, heavy chemicals, manufactured jute goods.

(1) This may be done by equalising the rate to and from locations at different distances; this will involve a detailed study of the existing movements, direction and volume of the above mentioned goods.

(2) Creating "common point" territory; this will simplify to some extent administration of the rates. For example

a common point territory for coal may be all stations south of a line drawn through Mangalore, Bangalore and Madras in the south.

(3) Creating rate blankets, this principle of uniform rates for all distances in various zones may be applied to fertilisers from Sindri. Convenient and feasible zones could be created for other commodities like iron and steel after special study of the respective transport costs to areas of consumption.

An exemption for traffic moving over a minimum distance may be granted.

Q: 24. Raw jute transport presents a suitable case for applying uniform rates for common destination beyond a certain minimum distance. This is, as it were, the converse of the case of Sindri fertilizer. Destination being common here whereas in the other case origin is common.

Q: 25. The railways themselves should work the freight pool.

Q: 26. The present freight structure may be modified to grant lower rates for iron and steel, fertilizer, manures, agricultural implements and industrial raw materials.

Q: 27 & 28. Nil.

Q: 29. See answer to Q: 1.

Q: 30. A discriminate use of station-to-station rates may be revived.

Q: 31. Other considerations are:—

(i) Promotion of prosperity in agriculture. The rates of transport of articles like pulses, cocoanut, biddy and virginia tobacco, biddy leaves could be granted suitable concessions where new areas are opened for their cultivation or old areas are placed at a disadvantage on account of the proportion of transport costs being high, limiting expansion of production.

(ii) Relief of urban congestion caused by industrial concentration. Concessional rates for establishing new industries in rural areas should be granted.

(iii) Stimulation of foreign trade - See answers to Q: 37 and 41 below.

(iv) Encouragement of market competition. No single group of industrial units should be permitted to carve out an exclusive market with a dominant influence over price determination. Other industrial units in more distant regions should be enabled by appropriate rate concessions to effectively compete.

Q: 32. The transport system of a country has to subserve the needs of a balance may have to be maintained between different regions. Distance may be a factor interfering with the achievement of this ideal. To obviate it, the rate policy of the railways should have to be deliberately designed on the basis of an economic purpose, instead of allowing it to be determined purely on the basis of costs of service and value of service principles. The objective may be achieved by adoption of measures which would either encourage a dispersal of industries or facilitate distribution of the product more or less at uniform rates wherever concentration of industries is necessary on other technological grounds.

Q: 33. Newly planned industries would have been selected on their intrinsic and general environmental advantages. Concessional rates for the raw materials or finished products would smack of too much spoon-feeding, but lower rates may be charged for transport of machinery, plant and construction materials. The loss incurred by them would not be a recurring feature. Hence no invidious discrimination should be made in respect of freight rates between established and newly planned units. For underdeveloped areas special consideration should be shown. However it should not be overlooked that the relationship between industrialisation and Railway rates is mutual. The more developed an area, the greater is the volume of traffic and hence it is feasible to reduce rates.

Q: 34. An inflated mileage for a limited period would be feasible and it may work like the principle of betterment levy or lands in project areas. But in so far as the construction of a new line is likely to tap potential traffic, where haulage may transcend the limits of the newly constructed section, the earnings of the Railways would augment and the overall position may, by and large, be maintained in a favourable position. Looking at it from this wider perspective, the jurisdiction of an inflated mileage may not be on all fours with that of a betterment levy.

Q: 35. In the initial phase of economic and industrial development there may be the contradiction posed in this question. But in the longer run, development brings in its wake larger production, larger quantum of traffic in various types of consumption goods. Therefore the freight policy should be governed by a system of subsidising development through lower rates for all traffic directly concerned with buildings of factories, dams etc. At the same time, a higher rate on transport of goods may be charged. This could well be adopted since, in the absence of railways, the alternative modes of transport will be costlier. The higher railway rates should not be based on the principle of what the traffic can bear, approximating the charges of the costlier alternative modes of transport but embodying a moderate rise.

Provision of rolling stock and other facilities, in the normal course of things, will be in response to demand. It is not fair to charge more for the purpose of supplying more rolling stock, because it is the business of railways to provide adequate wagon and storage facilities

Q: 36. There are two categories of railway services: (1) quantitative increase and (2) qualitative improvement. The former consists of extension of mileage of track, purchase and manufacture of rolling stock etc. which could all be met from borrowed funds or withdrawals from reserves. The latter consists of better service. This could be done only from current revenues.

Q: 37. Village and cottage industries will be receiving a great measure of help and aid in respect of finance, marketing, technical training, designs, etc. There is

hardly any justification for giving concessional rates for transport of their products for home market consumption. The question of export trade stands on a different footing; there it is a question of creating new markets or retaining old markets threatened by effective competition. It is therefore necessary to create price advantage in foreign markets where our goods are subject to severe competition. In new markets also, price advantage will help the sale and cultivation of consumer tastes and preferences and in due course, conserve the market.

Q: 38. Price control and ceilings have been imposed only on basic commodities belonging to low rates traffic. Hence, they would not have seriously affected railway earnings. A reduction in earnings to some extent even if it had happened should be borne by the railway for the attainment of higher social ends.

Q: 39. In the designing of the railway rate structure, there is always an implied idea of subsidisation of the lower categories by the higher categories of commodities. The purpose of this is to enable the lower valued commodities to avail themselves of the railway transportation. Still the former too do contribute something towards the overhead costs of railway administration which is welcome. The rates that are levied on them may be such that it may not cover the total costs but they do cover operating costs fully and contribute a little towards overhead expenses. It is only by this means that the Railway can on the whole augment their earnings sufficiently to meet its overall expenses and make reasonable profit.

Q: 40. The hypothesis that the additional traffic will also be carried at the prevailing average cost presumes that Indian Railways have reached the limits of increasing returns. This hypothesis may be incorrect. In that case, additional traffic might bring additional net revenues. Capital outlay on development is usually made on the basis of the benefit cost ratio. If benefits are less than the costs the additional development would not take place. If benefits exceed costs there will be no serious loss. The excess of benefits in the shape of revenues may not be adequate to meet interest and amortization charges. Economic development will also result in a growing traffic of finished products and high rated goods. They will bring in a larger revenue. Higher incomes due to larger capital outlay and development programme will bring about higher incomes and consumption of more goods resulting in a larger traffic. Thus the revenues will increase and the financial stability will not be jeopardised.

Q: 41. No sliding scale or rates varying with the changing condition in foreign markets will be feasible. But a lower freight rate for exportable commodities would certainly be desirable. This could be implemented by adopting station-to-station rates with reference to export points.

Q: 42. The main configuration of the industrial map of India, notwithstanding the development in the First Five Year Plan has not undergone any radical change. This is particularly so in regard to coal, cotton, jute, iron and steel, sugar and foodgrains. There is but one Sindhri with its 3,50,000 tons of fertilizers. The river valley projects have not yet come of age to perceptibly affect the direction and range of movements of commodities. There had of course been heavy strain on the railways in the movements of cement, structural materials, plant and machinery, necessitated by the construction of the giant irrigation power and other projects. But this movement was spasmodic, not continuous.

Q: 43. Much more important considerations than freight rates have influenced the location and pace of development of industry and furtherance of trade after 1948 particularly during the First Five Year Plan.

Q: 44 & 45. Nil.

Q: 46. Industrial and agricultural development has not yet reached that order of magnitude to affect the direction of movement of goods. The following statement gives the output of important crops in 1947—48 and 1952—53.

		1947—48 (in tons)	1952—53 (in tons)
Paddy	...	6,330,590	5,935,870
Millets	...	2,618,040	2,863,140
Sugarcane	...	391,910	516,070
Groundnut	...	1,690,440	1,352,300
Cotton	...	335,780 bales.	300,910

Q: 47. Provision of warehouses through the agency of co-operative bodies and private interest is the only way of solving this difficulty. It will not be desirable for Railways to become owner-managers of warehouses.

Q: 48. There are already clear indications of the development of sugar industry in Madras State. It would also not be premature to expect the rise of a number of re-rolling mills with the successful completion of lignite mining in Neiveli and its utilisation for the iron ore mining in Salem district. There is also every likelihood of private enterprise undertaking cement manufacture to cater to the needs of the area.

Q: 49. The growth of industries envisaged above is not likely to affect adversely the value or lengths of traffic.

Q: 50. Nil.

Q: 51. The most important in the sphere of industrial development are:—

(1) The lignite mining in South Arcot district.

(2) High grade steel in Salem.

(3) Fertilizer plant in North Arcot district.

All these depend upon the success of the pilot project of lignite mining in South Arcot.

Q: 52. If the projects in the public sector turn out fully successful, there may be a slackening of the long haulage of coal and steel billets to South India.

Q: 53. Nil.

Q: 54. Refer to the answer to the Q: 39.

Q: 55. Refer the answer to the Q: 9.

MYSORE

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PART II

Q: 8. The number of commodities which move at owner's risk rates may be minimised as far as possible.

Q: 9. The disparity between the two sets of rates should be reduced.

Q: 11. Rates for commodities coming under "Excepted Category" may be adequately enhanced.

Q: 12. It should be the policy of the Railways that they should, within a certain period, accept goods at Railway risk only.

Q: 13. The present practice may be continued for some more time, but the ultimate policy of the Railways should be to accept goods for carriage at Railway risk only.

Q: 17 (a). The Railways are well advised to have their own warehouses for storage of goods prior to despatch and after delivery. We are not aware of any schemes for providing such facilities.

(b) We personally feel that the Railways themselves should undertake such a scheme instead of allowing other bodies to take up this work.

Q: 18 (a). The responsibility of the administration for loss, destruction or deterioration of goods delivered to the Railways for carriage should be that of a "Common Carrier" instead of that of a "Bailee" as at present.

(b) We are for the change as stated in answer to Q: 18. (a) above. No doubt it may mean extra financial responsibility for the Railways but it is well worth assuming.

Q: 19. Vigilence committees consisting of representatives of traders, railways, State and Central Government may be set up which should be in position to carry on surprise checking of goods at transhipping points.

PART III.

Q: 1(a) It is necessary that the jurisdiction of the Railway Rates Tribunal should be widened to include the scale of charges for the carriage of passengers, luggages, parcels, military traffic, demurrage etc., even when there is no application made by the Central Government on that behalf.

(b) The Railway Rates Tribunal should be given the power to initiate investigations in regard to freight rates.

Q: 2. The present position with regard to the obtaining of the approval of the Rates Tribunal for re-classifying of a commodity in to a higher class for getting higher revenue may be continued.

Q: 3. We are not in favour of the Central Government being empowered to re-classify any commodity in a higher class without prior reference to and approval by the Rates Tribunal.

Q: 5. We agree with the view that considerable delay is caused in obtaining decisions from the Railway Rates Tribunal by the parties. With a view to expedite the adjudication of cases by the Tribunal the time allowed to the Railway administration to send their replies to the charges made by the customers and the time allowed to the customers to send their replies for the points raised may be reduced.

Q: 6. From the point of view of the small trader the cost of obtaining a case adjudicated by the Rates Tribunal is very prohibitive. A slight reduction in the scale of fee is considered desirable. Again the strength of the Tribunal may be raised from 3 to 5 with a view to speedy disposal of cases.

Q: 8. The personnel of the Tribunal should represent different interests like railways, trade, industry, agriculture etc. as in the case of Transport Tribunal in Great Britain.

Q: 9. The number of members of the Tribunal may be increased from 3 to 5 with a view to dispose of cases speedily.

Q: 11. We do not approve of the suggestion of constituting an independent body for fixing freight rates and dealing with complaints therefrom.

Q: 12. We feel the need for a judicial body like the Railway Rates Tribunal for adjudication of disputes regarding freight rates is all the more necessary when the Railways are functioning under parliamentary control.

UTTAR PRADESH

Meerut College,

Meerut.

PART II.

Q: 8. As far as possible both the railway risk rates and owners' risk rates should be quoted on all articles whether these move in smalls or wagon loads. Railways grant concession to articles moving in wagon loads and as such these should not be precluded from the benefit of owners' risk rates in cases where the sender has the option of the two rates when the consignment is in smalls but not in wagon loads. Similarly even if the goods be in smalls these should not be denied the benefit of owners' risk rates. It is for the consignor to assess the risk of sending the goods and to balance it with the difference in the rates at owners' risk and railway risk and decide accordingly. As far as the railways as carriers are concerned they should offer both the rates.

Incidentally it may also be pointed out that with an improvement in railway efficiency, it should not be really risky for the consignor to despatch his goods at owners' risk rates and thus save the transport costs which will ultimately result in a lowering of the cost of production. It will, therefore, be undesirable if small consignments are not given the option of owners' risk rates or in certain cases even wagon loads are to be carried at railway risk rates.

Q: 9. Railway risk rates are bound to be higher than the owners' risk rates. The difference between the two, however, should not exceed the insurance value of the risk involved in transit. In India, unfortunately, the difference is much wider and as such few people are able to ensure their goods at railway risk.

The risk of sending different types of commodities being different, the variations in the divergence between the two rates can be appreciated. But in each case the difference should be on the above basis. In that event a larger quantity of goods may move at railway risk and if the railways may then be more careful in handling the articles offered to them this will incidentally add to the income of the railways and their efficiency will thus be rewarded.

This question is intimately linked with the first question. It will not be fair to the traders if the owners' risk classification existing at present for this will deprive him of the alternative of sending his goods at owners' risk rates. As far as the railways are concerned they should offer both sets of risk rates (Owners' as well as railway) with suitable and reasonable difference between the two and it should be left to the trader to avail of either after balancing the gain of covering the risk and the loss of extra price paid in the form of railway risk rates.

PART II.

Q: 12. The suggestion put forward here is quite attractive in as much as with railway risk rates only the chances of goods being damaged will be minimised. A reduction in rate in case the trader offers to relieve the railways of a portion of risk will not be of quite practicable in as much as the risk of transport is from the moment the consignment is entrusted to the railways till it is taken delivery of. Relief of a portion of the risk will be difficult to define and any damage arising later due to railway negligence may be attributed to this part relief.

Part relief will not place upon the railways that liability which is essential for the safe transit of goods. Moreover it will be quite difficult to assess the value of such relief and to specify the reduction that ought to be obtained on this account. Hence this suggestion may better be dropped.

PART III.

Q: 1. It is suggested that the Railway Rates Tribunal in India should be on the lines of its counter part in the U.K. and it should be entrusted with the same power and obligations as are enjoyed by that body.

Railway rates policy and individual rates are to be reviewed not in isolation but in the context of the whole working of the railway system which is mainly to provide efficient, quick and cheap transport to the public and thereby keep the general economic development of the country. Rates and fares are the means whereby the railways are to meet their annual expenses and fixed obligations. Rates are also to be viewed in their context of influencing the overall cost of production as they enter with the cost of transport at every stage.

A few powers about charging of unreasonable rates levying of unreasonable charges or the refusal of quoting a new station-to-station rates etc., does not place the Tribunal in a situation wherein it can take an integral and comprehensive view of the whole of railway finance and then regulate the rates accordingly. To enable it to perform the functions of a Tribunal it is necessary that: –

(i) All powers regarding adjudication of rates, fares, classification and other charges levied by railways should be entrusted to this body.

(ii) The Tribunal should be placed under an obligation that the total income earned by the railways on the basis of rates and fares fixed by it should be sufficient to enable the latter to meet their working and fixed charges provided they are run ***efficiently and economically.***

(iii) This proviso will enable the Tribunal to judge the efficiency and economical working of the railways also. Unless there is a check on the spending powers of railways and unless railway expenditure is subjected to close scru-

tiny by an independent body the purpose of fixing rates at reasonable levels cannot be achieved. Conferment of these powers on the Tribunal may cause a fairly large amount of economy in expenditure, this may enable the railways to reduce their level of rates and fares with all the consequent advantages to the society.

Q: 2. The position under which the Central Government alone has the power to reduce the level of class rates while a commodity can be reclassified into a high class by the Tribunal alone but only on an application from the Central Government is clearly unsatisfactory. The Solution to the situation is that the power of reducing the level of class rates also should be conferred on the Tribunal so that it has to be approached by the Government for any steps to raise additional revenue from goods traffic. The power of the Central Government to raise more revenue from goods traffic should not be unfettered since raising a rate or placing a commodity in a higher class affects a particular industry or the general level of cost of production. If the Government can convince the Tribunal of the desirability and necessity of increased revenue from goods traffic it can raise a particular rate or reclassify a particular commodity for the purpose.

Q: 3. The Central Government should not be allowed to reclassify any commodity in a higher class without prior approval by the Railway Rates Tribunal. In all events it should seek the permission of the Tribunal. The Tribunal before granting or refusing such permission, should consult the trade and then decide the case on merits. The process of first reclassifying a commodity in a higher class and then leaving it to trade to appeal to the Tribunal if the classification is unreasonable is a perverse one. The unreasonableness or otherwise of a step should be decided before it is taken. It is not wise to take a step whose validity is doubtful and then get it judged. In the event of the Tribunal disapproving of the higher classification, it will have to be retraced and avoidable difficulties will have to be faced with. Moreover according to the suggestion given in the question the unreasonableness will be on the trade whereas in the suggestion given above the proof for the necessity of the higher class will be on the Government.

Q: 12. The necessity of a judicial body like the Railway Rates Tribunal for adjudication of disputes regarding freight rates is still more in the event of railways being a Government undertaking. As long as railways were company managed and privately owned the merchant could look upto the State to get his grievance redressed and the State being above the parties to the dispute, could be expected to regulate the affairs in a proper manner. But since now the Government owns and manages the railways, it becomes one of the party to the disputes that may arise and do arise. It is true that the State runs the railways, in the last analysis, for the benefit of the public as a whole and it can be trusted to fix the freight and classify goods in a way that meets the broad ends of justice. But railways are a commercial concern and are run as such. Railway rates have an important bearing on the cost of production and exercise an important influence on the general economic development of the country. Hence the necessity of a proper regulation of rates and classification even in a nationalised concern cannot be obviated. In the event of difference of opinion about the propriety or reasonableness of a rate or otherwise the merchant cannot be expected to trust the State to hold the balance. Here the State is not a neutral arbitrator, it is a businessman running an important concern on commercial lines. It is, therefore for an independent judicial body like the Railway Rates Tribunal to adjudicate between the merchants and the railways.

The Accworth Committee recommended the appointment of a Railway Rates Tribunal but Government appointed instead the Railway Rates Advisory Committee. Many of the defects and anomalies in the Railway Rates Structure in India were due to the absence of a Tribunal.

Shri. Shiv Dhyan Singh Chouhan,

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Agra.

GENERAL

Efficient and economical transportation is indispensable for the success of a modern economy. The much needed problem of transport has two broad aspects: the transport facilities and the transport costs. Apart from providing adequate transport service, the railway rates policy should also be conducive for developing trade and industry of the country. Such a rates policy is not based only on considerations of the economics of transportation and the needs of railwayfinance; rather it takes into account the social factors and the political aspect of a country's national policy as a whole. The so called social factors include the rates made as developmental rates to promote the development of certain industries, communities, or regions; the special rates made

to assist in the alleviation of distress due to flood, draught, fire, famine, epidemic, pestilence, or other calamities.

Railway rate making is an art and there cannot be a finality about it. There is always a possibility of its improvement, especially in the case of the railways of a developing economy. That the railway rating structure in India was revised only a few years back is no argument against its revision now when the country is taking rapid strides every day. The decision of the railway authorities in this respect is consequently a wise step and a timely action.

On previous occasions whenever there was a revision of the railway rating structure, neither the business community was consulted nor the public opinion much counted. This time there has been a welcome departure from this past policy and the railway authorities have decided to consult all interests alike. The Railway Freight Structure Enquiry Committee constituted in June last has recently issued a questionnaire with a view to find out the effect of any adjustments or changes in the rating structure on the industry and trade of the country. It is urged in this connection that the Government will take full note of the views expressed in different quarters, specially the trade and industry. On many occasions, Government acts against the well founded views of certain experts and expert committees, not to say of the public and the press.

The following discussion is divided into three sections: the classification, the rating structure and the Railway Rates Tribunal.

The Classification.—The classification of goods is the foundation on which the edifice of railway rates is based. During the last seven years that the present classification has been in existence, certain weaknesses of this system have come to light. Of the several complaints lodged with the Railway Rates Tribunal during these years a number of them were in connection with the classification of commodities. This is enough evidence to prove that the present classification needs revision and improvement. This classification lacks homogeneity in a great measure, is beyond doubt, as the following instances (selected for constructive purpose only) will indicate.

Commodities having no affinity to each other are placed in the same class, not those having close affinity in different classes. Foodgrains and manganese ore have absolutely no relationship whatsoever to each other. Still they remain in the same class for many years past. Class one contains different variety of goods like foodgrains, ores (iron, manganese, bauxite, etc.) building materials (earths, ashes, bricks, stone, tiles,) manures, bones, ballast, etc. A homogeneous classification can be devised by placing agricultural commodities (usually indispensable to human existence) in the lowest class, building materials (next in importance for civic life) in slightly a higher class, and ores in another suitable class.

Oilseeds get the 4th class for Railway Risk rates, while groundnuts (with shells), one of the important oilseeds is given the 5th class. Groundnuts without shells were also carried in the 5th class till recently, but this commodity has now been placed along with other oilseeds. If the former classification of groundnuts was a reasonable one, both types with and without shells having been put in the same class, there is reason to put groundnuts with shells along with other oilseeds even now.

Acids, at present, are scattered over a number of classes from 4 to 15, but most of them fall into the 14th class. The advisability of placing them in one single class or a few closely connected classes may be considered.

Salt is a commodity as essential (or even more) for human consumption as foodgrains, but is placed in the second class at present. The father of the nation gave sanctity to this commodity by making it the basis of the non-co-operation campaign. The history of our freedom movement is interwoven with this commodity. It is inconceivable why this commodity should be required to pay a higher charge than that of the lowest class. Rather it should receive a preferential treatment. Similarly athletic appliances and medicines fall into the 14th, almost a luxury class. This means lowering down already lower standards of health, a thing which India can hardly afford to do. A reasonably lower class should be assigned to these commodities.

Under the classification adopted in 1948, books were placed in class 14, but were brought down to class 12 in the revised classification which came into force from 1st June 1954. Considering the social importance of this commodity, the charge for this commodity has been still lowered by placing it in the 6th class with effect from 1st September 1955. Stationery, a commodity having a similar social significance, however, continues to be classed in the 12th group. The question of placing stationery in the 6th class and of lowering the classification of newspapers, magazines, and periodicals for similar reasons may be considered.

As against these cases of lowering the classification, there may be many cases wherefor it may be desirable to raise the classification without much injury to the traffic concerned. Luxury goods like motor vehicles, pistols, refrigerators, arms, etc., may safely be transferred from the 14th to the 15th class. A close examination of the present classification in detail and the review of cases of individual commodities from transport, economic, political and social standpoint will reveal many such inconsistencies which should be removed by making suitable adjustments.

The classification of certain goods for graded rates is at present rather ambiguous, leaving scope for varying interpretations and consequently to corruption. This is so specially in the case of scrap. Several instances were brought to the notice of the Railway Corruption Enquiry Committee where consignments accepted as scrap by the booking station were not accepted as such by the destination station, and undercharges were realized, much to the inconvenience and annoyance of the parties concerned. This confusion was going on between certain stations for months together without any serious effort being made to clarify the issue to avoid trouble to the merchants. It is necessary that such ambi-

guities are eliminated from the classification of goods traffic.*

The country is taking great strides and it is necessary for our railways too to do so. If the railways lag behind in the march of progress, country's economic development will suffer greatly. The Indian Railways should therefore make their classification of goods and minerals so broad based as to leave little room for any gaps and ambiguities. The names of all categories of commodities (present and future) should be listed. Many commodities notably oxcide crystals do not find a place in the present classification. Similarly glass rods for the manufacture of glass beads (transported from Agra to Benares) are not specifically mentioned. There may be other such cases of omission. The revised classification should be made so comprehensive as to leave no ground for further revision in the near future. In Great Britain the prevailing classification has been in existence since 1928. Can't we take a long range view of things similarly?

Though the present classification is an improvement upon the previous classifications, yet looking at the economic development which has taken place in the country since planning and is likely to take place during the Second Plan Period, it needs further amplifcation and rationalization. There can be no objection to such an amplification, if by adding a few more classes, we could speed up the movement of commodities and thereby increase the amount of railway traffic. In Great Britain, there are 21 classes into which goods and minerals are divided and in U.S.A. 27. India is more akin to U.S.A. rather than to Britain.

The Rating Structure: Indian Railways have accepted the telescopic principle of rate making for both the standard class rates and the standard wagon-load scales. A look at the present rates will, however, reveal that this principle has not been applied in any systematic manner, nor with full force. The classwise rise in the class rates is neither uniform, nor systematic as shown below:—

Classwise rise in rates (pies per maund per mile)

Class	Class rate for the first 300 miles.	Rise above the previous class (present)	Rise above the previous class (proposed.)
1	.54	–	–
2	.59	5	5
3	.64	5	5
4	.69	5	5
5	.75	6	6
6	.80	5	6
7	.86	6	6
8	.92	6	7
9	.99	7	7
10	1.07	8	7
11	1.14	7	8
12	1.22	8	8
13	1.30	8	8
14	1.55	25	24
15	2.32	77	72

The position of wagon-load scales is even worse. Distant-wise rise in both the class rates as well as the wagon-load scales is similarly unsystematic. It will be to the advantage of both the trade as also of the railways to systematise the rating structure. A simplified rating structure (as shown in column 4 in the above table) thus obtained will be more intelligible and will be worked with ease. Furthermore, it will lower down rates in the case of some of the groups, specially for long hauls assuming, for instance, the class one rate is changed to .54, .44 and .34 pies from .54, .45 and .34 pies respectively at the three mileagewise stages. The wagon-load scales, if possible, be simplified as WL/A, WL/B, WL/C.....WL/M etc. with either one type of rate (R.R. or O.R.) alone, indicating at the same time the other type by means of so much per cent more or less. Alternatively both type of rates (R.R. and O. R.) be made for all classes *viz.*, WL/A, WL/AR, WL/B, WL/BR, WL/C WL/CR..... and so on.

Whenever there has been a revision of railway rating structure in this country, the rates have been increased without any scientific examination of the effects of such increases. Sometimes rates were raised to strengthen the reserves, sometimes to avoid deficit and at other times on some other grounds, raising correspondingly the net burden on industries. The economics of railway rating, so to say, has always been subordinated to the fiscal needs of the Government. Tendering evidence before the Fiscal Commission (1949-50), the Indian Non-Ferrous Metals Manufacturers' Association, Calcutta stated that the drastic revision of rates in 1948 raised the freight burden on the metal industry, particularly aluminium ingots, bauxite, antimony etc. nullifying largely industrial development for which assistance was extended by means of duties, subsidies etc. † The chemical industry was also hard hit by the revised rates. The following figures were quoted in a memorandum submitted to the Transport Minister

* Report of the Railway Corruption Committee 1953–55, page 25.

† Report of the Fiscal Commission, 1949-50, Vol. Three, pb. 96-97.

in 1954 by the Federation of Indian Chambers of Commerce and Industry, New Delhi, indicating the increase in the rate for moving the finished products of Tata Chemicals Ltd., Mithapur to Okha.

	Up to 9—8—1947			From 1—4—1950		
	Rs.	a.	p.	Rs.	a.	p.
Soda Ash per ton ...	0	8	0	3	15	6
Caustic Soda per ton ...	0	8	0	3	15	6
Bleaching powder per ton ...	0	8	0	4	13	1
Zinc Chloride per ton ...	0	8	0	4	15	5
Liquid Chlorine per ton ...	0	8	0	6	8	4

The short-distance traffic has received the severest blow.

According to the Fiscal Commission (1949-1950) the new basis of rating encouraged "long hauls" as against short movements and to that extent discouraged the local or regional processing of raw materials.* The Commission also received complaints of increase of rates for "short hauls."

The rate on limestone brought by the Associated Cement Companies, Bombay from Kaza to the Cement factory at Tadapalli (Southern Railway) rose to Rs. 3-10-4 per ton in 1948 as against Rs. 1-4-4 formerly. In the case of antimony industry the transport charges by rail alone worked out to nearly 7% of the total cost while rail transport alone with the methods of transport other than rail accounted for about 66% of the manufacturing charges.†

Thus, there has been a general rise in the pre-war level of railway rates by over 50% as against a rise of 18.8% only in Great Britain. It is time to consider the desirability of lowering down the general level of railway rates on an experimental basis, if not permanently. If the reduction in rates increases the quantity of traffic and coincides with railway prosperity, such rates may be given a long life later on.

The burden of short distance traffic has increased substantially due to three reasons:

(a) the increase in rates over short distances on account of telescopic rates;

(b) the continuation of short-distance charge; and

(c) standardised terminals the incidence of which is heavy on short-distance traffic.

Prior to 1948 the basis of class rates was flat and there was reason to levy an additional charge on traffic moving over short-distances. But the continuance of the short distance charge even after the adoption of telescopic basis is not justifiable since under the telescopic system itself the charge for short distance is increased, the rate being higher for short distance and lower for long distance. The levy of 6 pies per maund per mile where the aggregate distance for charge is less than 75 miles should be abolished.

Though the railways have accepted the principle of average cost for the purpose of levying terminal charges, but they have fixed similar terminal charges for all commodities irrespective of variation in their costs. The levy of terminal charge in this way adversely affects movement of certain commodities, especially raw materials. The Associated Cement Companies, Bombay complained that, in the case of limestone brought from Kaza to their Cement Factory at Tadepalli, the terminal charge alone accounted for 48% of the total railway freight even though the loading and unloading was done by the owners. It is advisable therefore that commodities may be classified into three or four broad categories according to the cost of handling at terminals, and that the terminal charges may be reduced for commodities which require lesser terminal facilities.

At the time of the revision of the Rating Structure in 1948, one of the major changes brought about was the withdrawal of the special station-to-station rates, taking away thereby the discretionary power formerly enjoyed by railways for developing new industries, backward regions and new traffic. This is detrimental to a developing economy. Industries in their infancy do require special treatment and assistance of various kinds which later on can be dispensed with. Special rates made available to such infant industries go a long way to help economic development. In Great Britain, in spite of the fact that the quotation of exceptional rates more than 40 per cent. below standard requires the approval of the Rates Tribunal, over 70 per cent. of railway receipts from merchandise traffic, other than coal, came in 1939 from traffic carried at exceptional rates. This signifies the need for such rates. These should not be viewed as preferential rates but the essential weapon by which transport policy can be geared to the needs of an expanding economy. In the absence of special rates railways are unable to meet the competition from other forms of transport, and sometimes the commodities needing such rates go waste.@ Rationalisation and simplification of the rate structure is desirable, provided it is flexible enough to suit the needs of a new economy. It is claimed on behalf of the railways that special station-to-station rates for raw materials and finished products are still quoted between pairs of stations where such rates are justified. In practice, however, delays take place in the investigation of claims for such rates and many a time the railway administrations have rarely been convinced of the need for such special rates. Further, the cost of structure of many of the industries and factories which had been previously moving their traffic at concessional rates has been adversely affected. It is desirable that the old policy of quoting station-to-station rates should be resorted to without reservation. The Fiscal Commission (1949-50) observed in this connection, "We think that question may be examined whether it would not be possible for the Railway authorities to introduce concessions so as to assist in the local or regional processing of agricultural or mineral produce and in the decentralization of industries Possibly a more liberal use of station-to-station rates might be useful.§

* Report vol. I. p. 244.

† Report of the Fiscal Commission (1949-1950) vol. III p. 97.

@ Traffic in fruits like oranges, mangoes, bananas may be taken to illustrate the idea.

§ Report of the Fiscal Commission, 1949—1950, Vol. One, p. 245.

The problem of risk rates still remains to be solved and needs effective treatment. The gap between the railway risk rates and the owner's risk rates in the case of some of the commodities is said to be wider than is warranted by the actual risk involved in handling a particular commodity. Moreover, the trader gets the option of shipping his goods at owner's risk or railway risk rates in a few cases only. For most of the commercial commodities even wherein no much deterioration is possible in the transit only one type of risk rates is available. Timber, bamboo, bricks, iron and steel, brass goods, cement, hides and skins, cocoanuts, chillies, almonds, bagasse, etc, are some of such commodities which must always be booked at railway risk rates. It is true in the interests of inculcating a greater sense of responsibility in the mind of railway administration, it is desirable that traffic is moved at railway risk. At the same time it is also important to remember that if alternative cheap rates at owner's risk are provided for all important commercial commodities people would like to make use of them and the railways will also be relieved of some of their responsibility to pay for damages.

A sort of commodity discrimination is also noticeable in the present arrangement of two types of risk rates. Motor vehicles a luxury article, for instance, is provided with both types of rates, whereas country carts, a poor man's lifeline has no cheaper type of owner's risk rates. Potatoes and sweet potatoes have both the types (R.R. & O.R.) of rates, but 'arvi' a sister vegetable has not. Fresh fruits are more liable to deterioration in the transit than dry fruits, but fresh fruits enjoy both the type of rates and not the dry fruits. It is only fair and equitable to find out such inconsistencies and remove them from the revised rating structure.

When an industry's goods are hauled in train-loads from one destination to another instead of in separate wagon loads, the cost to the railway is very much less, because, in a given time, owing to relative avoidance of detention on intermediate stations the traffic hauled would be much greater than in the case of separate wagon-loads. But the railway charges the same freight per ton irrespective of whether the material is sent by train-loads or separate wagon-loads. It would, therefore, be equitable if the economy effected by train-loads is passed on to the industry by the railway in the shape of a special concession rate for train-loads proportionately less than for wagon-loads*. The claim of such commodities as coal, petroleum, cement, fertilizers, ores etc. may be considered for train-load rates.

The problem of rail-ship co-ordination has come to the forefront recently and the Government has set up a Committee to go into the question of co-ordination of railways and coastal shipping. Though at present the problem of rail-road co-ordination is not significant, it may become so in the near future. The development of inland waterways is also likely to create a similar problem in course of time. A planned and co-ordinated development of all forms of transport therefore necessitates the framing of co-ordinated rates in accordance with the requirements of of each category of traffic. The contribution that can be made imperceptibly and yet effectively to the advantage enjoyed by local industry by a careful adjustment of rates, and dovetailing of the sea transport freights with railway rates or road charges by giving through rates, so to say, needs also to be properly understood and given effect to**. It is urged that the Railway Freight Structure Enquiry Committee will bear in mind this aspect of the question fully.

Frequent complaints are made of abnormal delays in transit, due to which considerable inconvenience and financial loss is suffered by the parties affected. Sometimes these delays are intentional on the part of railway staff in order to exact illegal and of gratification***. In order to put a check to such delays and ensure speedy transportation of goods, the Railway Corruption Enquiry Committee (1953-55) has made the following suggestions for the consideration of the Freight Structure Enquiry Committee †

"It may be useful to import into the contract of carriage another condition, namely that the delivery should take place within a certain period of time. The time calculated should have a margin of say 50% above that taken for normal transport of goods from one point to another. Customers who pay the normal rate would have the opportunity of having their goods transported within a period not exceeding 1½ times that scheduled. If this is not done, the Railways will have to pay a penalty for each day of the delay. The question whether an express delivery service between certain important stations cannot be provided on payment of a surcharge may also be examined."

The Railway Rates Policy is recognised as one of the important methods of providing protection to indigenous industry. In many European countries, particularly Germany, railway rates policy was extensively used as such during the inter-war years. India is now passing through an industrial revolution and it would be in the fitness of things, if in determining the railway rates policy the case

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*Report of the Fiscal Commission (1949—1950), Vol. II, page 54.

**Report of the Fiscal Commission (1949—1950), Vol. III, p. 190.

*** Investigations of the Railway Corruption Enquiry Committee (1953-55) revealed cases of such delays where loaded wagons were detained in the yards on various pretexts or livestock and perishable goods wagons were detained at the intermediate marshalling yards or transhipment points with a view to extracting illegal gratification. At times collusion takes place between the merchants and the train examining staff who deliberately mark the wagons containing commodities requiring quick transport as 'sick'. (Report page 17).

† Report page 73.

of industries needing protection is kept in view.

The household and hand industries is one of the important groups of industries which requires preferential treatment and special emphasis is being laid on their development in the Second Five Year Plan. It will be advancing the cause of planning, if the railway freight structure is utilised to assist the development ef these industries by placing their products in relatively lower classes, or by quoting special station-to-station rates for them.

Railway Rates Tribunal: The Railway Rates Tribunal has been functioning for about six years. During this period the Tribunal received and disposed of about 5 complaints a year on an average as shown below.

1949-50	Nil
1950-51	5
1951-52	7
1952-53	5
1953-54	4

In a vast country like India with tremendous amount of traffic passing every year this is a poor record of performance and is a clear indication of the unpopularity of this court of justice. This should not be taken to mean that the performance of railway rates has been so perfect as to leave no more chances of complaints. Every year the Tribunal has been receiving a number of complaints of 'specifc grievances' by letter instead of in accordance with the prescribed procedure. The Tribunal takes no notice of these grievances and returns them to the complaints saying that the Tribunal could take cognizance of these complaints only if they were persented in accordance with the rules. Hardly any complaint so returned is filed again with the Tribunal. This is a proof of the fact that the procedure of the Tribunal is not quite simple, but rather a complex one, which the Indian trader and the businessman cannot easily follow. The procedure of the Tribunal may be so simplified as may enable a man of an ordinary understanding to understand it easily and the numerous grievances of the public may not go unredressed.

The procedure of the Tribunal is not only a combersome one, but rather lengthy also resulting in dilatory decisions.

Year.	No. of complaints received during the year.	Complaints disposed of during the year.	Complaints pending at the end of the year.
1950—51	5	—	5
1951—52	7	5+2	5
1952—53	5	4+1*	5
1953—54	4	4+1*	4

*Case withdrawn

It will appear from the above information that it is very seldom that the cases are disposed of in the same year in which they are received by the Tribunal. It was only in one year (*viz.* 1951-52) that out of seven cases received, two of them could be disposed of in that very year. In all other years, other cases were disposed of in a subsequent year. Some of the cases were pending decision even at the end of the subsequent year.** This means decisions of the Tribunal normally take more than a year's time. The time of the businessman and the trader is very precious. He can hardly afford to waste a year or so after a few rupees. He needs quick decision. It is essential to so adjust the procedure of the Tribunal that not more than three to six months time is taken in finally disposing of the cases coming to it for hearing.

There is demand for cheap goods as also of cheap justice in this country. Money is dearer to people than justice here. If justice is dear, people will go on bearing all sorts of hardships, undue discrimination and injustice. The justice provided by the Railway Rates Tribunal is dear in as much as the complainant is required to pay Rs. 100 as fee plus Rs. 50 for expenses. Similarly, the respondent, in his turn, is required to pay Rs. 50 for expenses. A similar fee of Rs. 100 was levied for filing complaints with the Railway Rates Advisory Committee set up in 1925-26, but was later on reduced to Rs. 10. The desirability of so reducing the fee and of abolishing the imposition of Rs. 50 charged for expenses may be considered. Unless this is done, the Tribunal is not likely to be a very popular court of justice in this industrially young country.

It is contended that the decisions of the Tribunal generally go against the business community for want of their representation on the Tribunal. In U.K. and Canada different interests are represented on the Tribunal and a demand is made for a similar representation of interests here. At present four assessors (chosen in equal number from two Panels—a railway panel and a shippers panel) sit in judgment to assist the Tribunal, but their assistance is simply of advisory character; they have no voting rights. If these Assessors are given voting powers, different interests will get the necessary representation on the Tribunal without much difficulty.

The constitution of the Tribunal is defective in as much as it limits the powers of the

** One complaint filed in 1951-52 was pending at the end of 1952-53 and another one filed in 1952—53 was pending at the end of the year 1953-54.

Tribunal in many respects. Neither in respect of the classification nor in matters pertaining to rates, it gives the Tribunal unfettered powers. Under Section 42 of the Railways Act 1890, the Tribunal has powers to re-classify a commodity in a lower class, but it can re-classify a commodity in a higher class only on application of the Central Government. The Tribunal has absolutely no power to classify a commodity which has not been classified before. Under the same section, the Tribunal has no right to increase or reduce the level of class rates, scheduled rates and terminal and other charges (transhipment and short distance). Under Section 45, the Tribunal has no jurisdiction in respect of scales of charges levied by a Railway Administration for carriage of passengers, their luggage, parcels, military traffic and traffic in railway materials and stores and demurrage charges, except on a reference being made by the Central Government. The powers of similar bodies in other countries (notably Britain and U.S.A.) are not so restricted. They, on the other hand, enjoy full powers in matters respecting classification, rates and fares and othar charges. The Railway Rates Tribunal (now the transport Tribunal) of Great Britain, for instance, in addition to the settlement of standard charges, is empowered to fix classification or to classify any article not classified at the time and make necessary alterations to the classification, to settle terminal allowances, and to determine the reasonableness or otherwise of any charge for which no authorised charge is applicable. The quotation of exceptional rates more than 40 per cent. below standard also requires the approval of the Tribunal. The Inter-state Commerce Commission of U.S.A, enjoys even greater powers: it has full authority over railway policy. In matters of rates, the commission has power to prescribe the rate, fare, charge, regulation or practice, to fix maximum and minimum rates, to decide an adequate level of rates, to establish through routes and joint rates or the division of joint rates, and to suspend any change in rates, fares, charges, classification, regulation, or practice etc. The Commission may also direct the routing of the traffic. Unless the powers of the Railway Rates Tribunal are so enlarged as to include all matters relating to classification of goods, fixation of rates and fares and all the other charges the Tribunal is not likely to be very popular in this country.

A new circumstance has arisen in the transport situation of the country since the nationalization of airlines and road transport. Further, the problem of railshipping co-ordination has assumed importance recently, so much so that a committee of Enquiry has been set up to investigate into this problem and suggest remedial measures Under the changed circumstances India needs today not only a rate co-ordinating central authority, but a Transport Tribunal (like the one functioning in Great Britain) which may settle the disputes not only between the public and the transport agency, but also between two or more carriers as well. The Transport Tribunal of Great Britain and the Interstate Commerce Commission of U.S.A., both are empowered to regulate rates and fares and service of all types of inland carriers. The possibility of such a central rate-fixing and rate co-ordinating authority should be fully investigated.

The task of the Railway Freight Structure Enquiry Committee at the present juncture does not end in removing the anomalies of the present rate structure, but goes far beyond in evolving a national rates policy for fostering industries which exist and which may come into existence hereafter with the progress of planning and development.

To achieve this objective it is essential to treat the Transport System as a whole in all its branches and to frame rates in accordance with the requirements of each category of traffic and to utilize such rates to the benefit of local industry or to serve the requirements of national economy as a whole.

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PART I—A

Q: 2 (a). No.

(b) Experience has shown the virtual absence of useof the discretionary power given to the Railway Administrations to meet the legitimate needs of the industries. They have rarely been convinced of the need for any special rates. The Tariff Commission has urged concessional rates for specific commodities involved in emerging industries. But the response has not been good. In this connection the recommendation of the Fiscal Commission about the simplification of the present procedure and the need for delegating the powers in this respect to regional officers may be cited with advantage.

Q: 3 (i). The number should be increased.

Q: 4. The present practice should remain and be extended to all wagon load scales.

Q: 5 (i). No terminal charges should be levied because the expenses that the railways have to incur are part of their duty to

carry goods for which they are paid. Does the Government pay conveyance charges to its employees in addition to the salary? What is more inequitable is the charging of terminals even when the loading and unloading is done by the owners themselves. Therefore the terminal charges should be done away with. In case it is desired to retain them, the quantum of terminal charges should be low and in no case should they be charged on those consignments the loading and unloading of which is done by the owners themselves.

(ii) After the adoption of telescopic rates, there is no justification of levying a short distance charge. The short haul traffic has to bear a considerably higher rate than that before the introduction of telescopic rates. In some cases, the increase in short haul rates is reported to be more than 100%. Short distance charges should therefore be abolished.

(iii) Transhipment charge for break of gauge in addition to the conveyance charge is not justified because break of gauge is no fault of the consignors. They pay for the carriage of their goods. It is no concern of theirs as to how the goods are carried.

In respect of all the above charges, it may be definitely asserted that had railways been under company management competition between them would have made these charges out of question. The State should not take undue advantage of its monopolistic position.

As regards the question of loss of revenue, it may be pointed out that there is good scope for the reduction in working expenses and for the increase in revenues by stopping leakage in revenues due to corruption etc.

Q: 6. Distance unit of charge should be as follows:—

1— 500 miles	1 mile
500–1,000 miles	5 miles
over 1,000 miles	10 miles

Q: 7. No.

Q: 8. Whatever the method adopted, there is no justification for any discrimination.

Q: 9 & 10. The present classification schedule is unscientific. It should be subjected to a thorough overhaul. The various principles which should be taken into consideration are as follows:

(i) Kind of wagon required to transport the goods.

(ii) Any special treatment or precaution required by the shipment.

(iii) Cost of performing the transport service.

(iv) Packing of the goods.

(v) Density of the article.

(vi) The risk involved in handling the goods.

(vii) The time within which the goods are to be carried.

(viii) Special considerations to be made for the development of any particular industry.

(ix) Substitutability of the article.

Q: 11. There are three reasons why wagon load rates must be lower:—

(i) Loading and unloading of the wagons is done by the owners themselves.

(ii) Equity demands that persons giving larger business must be given lower rates.

(iii) The help in the better utilization of transport capacity.

The difference in charges should be about 10 to 15%.

In this connection a provision should be made for the carriage of goods either at wagon load scales or at class rates whichever will produce the lower charges.

Q: 14. Yes, it can be raised to 15 seers. Side by side it will increase revenue also.

Q: 16. (i) Yes.

(ii) No, the better method would be to retain the class rates for small as at present and levy a reduced rate for wagon loads.

(iii) Yes.

Q: 18. There should be no additional charge for special express goods services because they will help the railways to have better turnround of wagons which is a saving in itself. Running express goods services would incur no extra costs. On the other hand, depreciation of engines will be much less as stoppages will be reduced. Express goods services should however, be confined to long haul traffic.

Q: 21 (a). Upto a distance of 75 miles, alternative modes of transport should be encouraged. That will release railway capacity for long haul traffic. But for this the Central and State Governments will have to revise their policy towards nationalization of road services. Healthy competition between private motor operators will reduce their rates which will encourage the short haul traffic to utilize motor services in place of railway transport.

(b) Inland waterways should be encouraged so as to reduce pressure on railway capacity.

(c) Yes, an adjustment of long distance freight rates to encourage coastal shipping is desirable on two grounds (i) it will remove strain on railways and (ii) it will encourage coastal shipping.

Q: 23. Yes. There should be no objection to the creation of a freight pool in regard to basic raw materials. Commodity rates may be prescribed in such cases. They must be applicable from points of production to points of consumption. They must apply only in one direction and not in the reverse one.

Q: 24. Yes.

Q: 25. Railways.

Q: 26. The railway rates policy should be modified in such a manner that it gives full scope for the development of heavy industries and cottage industries. It should provide preferential rates for products meant for exports and also for products

carried in Indian ships so as to encourage Indian exports and shipping. In the earlier stages of developing industries high cots of production are inevitable. Therefore there must be some compensatory relief in the form of low transport costs.

Q: 30. There is a strong case for the revival of station-to-station rates. Even the Fiscal Commission envisaged a more liberal use of Station-to-Station rates. These station-to-station rate were concessional rates and helped in the development of particular industries. The abolition of station-to-station rates increased the charges for industries which were formerly dependent on such concessional rates. The grant of such rates does not in any way conflict with economics of transportation. These rates will be granted only where there is a regularity of traffic and regular traffic does deserve some concession. Side by side, these rates will also lead to some saving in clerical labour.

Q: 31. The railway rates policy should fit in with the planned development of Indian economy. It can be helpful specially in the development of our heavy industries, cottage industries, exports and shipping.

Q: 32. Yes.

Q: 33. Concessional freight rates may be provided for new industries provided they have goods prospects and they can stand without any subsidy after a certain period say 5 to 10 years.

Q: 34. The idea suggested is a nice one because the cost to the community of the available means of transport must be nces-sarily higher in the absence of railways. But the construction of railways in such areas must be preceded by a full and exhaustive survey of the traffic potentialities so that it may not be a loss ultimately.

Q: 35. In considering the freight policy best suited to achieve the double objective of (i) facilitating the economic and industrial development of the country, and (ii) securing adequate revenue, we will have to take into consideration the nature of the railway expenditure and the principles of rates determination. The investment of large capital both in the construction of new railway mileage and in the provision of rolling stock and other facilities should not be taken into consideration for determining railway rates. Only the depreciation on such investments should be included in the working expenses. As regards the concessional rates needed for the economic and industrial development of the country, the railways do not suffer any loss of revenue provided the traffic carried at concessional rates pays its share of variable expenses or direct expenses *i.e.* the additional cost incurred for carrying that traffic. The grant of such concessional rates as do not cover the variable expenses should be made only in special cases and such cases should be reduced to the minimum.

Q: 36. The railways should finance out of their revenues the following :—

Provision for depreciation, replacements, bettermert fund and general reserve.

Q: 37. Yes. The assistance mey be given by any method suited according to the circumstances of the case.

Q: 39. The concessional rates granted should generally be such as to cover the variable expenses incurred in the carriage of the additional traffic.

Q: 40. With the increase in the traffic to be carried by the railways, there will be an increase in the railway income. The cost of carrying additional traffic is always lower than the additional income. The railway industry is subject to the law of diminishing cost. This will be so even though the increased traffic may consist largely of low rated items. The charges to be levied on such traffic should not and are usually not below the direct expenses i.e. the additional expenses incurred for carrying the traffic. In this connection, it may also be pointed out that there is a good scope for the reduction of working expenses, specially on the wage bill by adoption of rationalization.

Q: 41. I would attach more importance to stable railway rates. Fiscal measures are preferable to take care of the fluctuations in the competitive conditions in the export markets.

Q: 47. Providing warehouses for temporary storage of the small agricultrists produce through the agency of co-operative bodies is preferable to enable them to avail the benefit of low rates applying to wagon load quantities.

Q: 54 & 55. The following basic principles should be followed in framing the railway freight structure generally :—

(a) Railways should not be utilized as a medium of taxation. Railway fares and freights are very high. They have been increased a number of times on the pretext of maintaining the financial stability of the Indian Railways. Financial stability however, should not be confused with the capacity to contribute to general revenues. The general revenues should not benefit at the cost of railway users. In India taxes are levied not where they are most easily borne but where they are most easily collected. Railways being a monopoly are in a better position to collect money. This is what should not be. Public utility concerns should not be asked to contribute to general revenues.

A better method would be as follows :—

1 (i). Railways should be charged interest at 3% on their capital at charge. (ii). On the balance of the profits, the railways should be charged income-tax and super-tax on the same rates as are applicable to other corporations in respect of undistributed profits.

2. The profits remaining after payment of income tax and super tax should be utilized equally (i) for crediting the general reserve and (ii) for creating a redemption fund for repayment of capital invested in railways.

This method will result in railways contributing to general exchequer according to their profits and will prevent the repetition of the history of the 'thirties' in case the railways fail to earn sufficient profits.

(b) An argument is usually put forward that railway rates are much lower in India

as compared to other countries. But while making any such comparison we should also take into consideration the cost of construction and the cost of working in other countries. In every respect if like is compared with the like, railway rates and fares in India would be found to be much higher than in other countries. On this ground, I would plead for a general reduction in rates and fares. This reduction would not be difficult if the working expenses are kept under proper control. Low rates might even increase traffic sufficiently to compensate for lower revenue and for a substantial surplus of finance essential for transport development.

Before nationalization some railways charged lower rates and freights because of their low cost of construction and low working expenses for example the O. T. Railway charged much lower rates than the E. I. R. Such low rates helped in the development of backward areas and enabled certain industries to have their raw materials cheaply. Railways belonging to certain Indian States were also charging lower rates but after integration their rates were considerably increased. Thus the benefit of lower cost of construction and lower working expenses has been prevented from being passed on to the consumers on the ground of uniformity of rates. This stand is more in conformity with the idea of using railways as a medium of taxation rather than with the principles of railway economics. Had railways not been completely nationalized, the Government would not have permitted the Company railways to increase their charges on the ground of uniformity of rates with State Railways.

(c) Formerly, the railways did not pay sufficient attention to the development of internal trade and industries. Railway traffic from and to the ports is well served but internal centres of production and consumption have not been well connected. The congestion of industries in the port towns was the result of this policy. This has got to be reversed now. In a vast country like India, the possibilities of developing internal trade are definitely great. Break of gauge was the most important reason which increased the difficulty of a free flow of traffic. From this point of view the construction of Khandwa Hingoli Line is a step in the right direction. As Mr. Asaf Ali emphasised at the time when he was the Transport Member, railway rates policy should be so framed as to provide maximum assistance to the stimulation of internal trade and indigenous industries. The internal centres of production and consumption should be well connected.

(d) Every attempt should be made to sto leakage in revenues due to corruptio and negligence on the part of railwa employees.

PART II

GENERAL

The difference between the railway risk and owner's risk rates must be equal to the actuarial value of the risk involved in the carriage of the articles concerned.

PART III

Q: 1. (a) At present, passenger fares are excluded from the purview of the Tribunal. Thus the Tribunal has only partial view of railway finances. At present, the tribunal can suggest reductions in freight under the impression that the deficiency might be made up by an increase in passenger fares. To avoid such a possibility, it will be better if the Tribunal's powers are extended to cover passenger fares also. It will have an advantage. Railway Industry is subject to the law of joint costs. The cost of transport cannot be ascertained from an examination of freight transport alone. Passenger traffic should also be taken into consideration. By an increase in its powers, the Tribunal will be able to have a complete picture of railway finances at its disposal.

(b) Yes, the Tribunal should be given power to initiate investigations in regard to freight rates.

Q: 3. No. The present position should continue.

Q: 9. In the Tribunal an overweightage has been given to judicial members and the commercial interests have been altogether neglected. The system of assessors cannot satisfactorily fill the gap created by the neglect of representation to commercial interests. According to the Acworth Committee the Tribunal should have 2 members representing railways and commercial interests and a legal President to weigh evidence and marshal facts to hold the balance. Thus it would be better to increase the number of members by 2 giving representation to both railways and business community. It may however be provided that the Member representing business community should not return to business after his retirement. The term of his membership must be fixed and he must be removable only for inefficiency and neglect of duty duly proved before a competent court of law.

Q: 12. No. When the State itself has a direct financial stake in railways, there is greater need for an impartial expert and judicial authority to determine the reasonableness of the rates charged because the State is more susceptible to abuse its power.

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GENERAL

The Railway system in India is the largest public enterprise and holds a pivotal position in the country's economy affecting both industry and agriculture and is also a source of revenue to the Government. The financial aspects of railway operation are therefore very important. Because of its monopolistic position railways have never been allowed to be run on purely business lines, even when privately owned, as in the U. S. A., and rates have been regulated by public authorities to prevent railways from exploiting their monopolistic position, which would be detrimental to the general business of the country. The overall rates policy in such cases, has been geared to the principle of costs plus a fair return basis. For privately- owned Railways a fair return to capital invested is essential for attracting further capital for the development of the railways and also because non-compensatory rates would be unjust to bond holders. Thus for a privately owned railway the earnings must cover costs and on the other hand should not allow more than a fair return (determined by the long period conditions of the capital market), as a safeguard to the community and these constitute lower and upper limits for the determination of the rates.

However far public owned railways as in India, this simple principle of determination of rates can no longer be regarded as sacrosant and the rates policy should be guided primarily by general economic considerations. Thus in the fixation of rates three different elements have to be considered :—

(a) Volume of industrial and agricultural production,

(b) Cost of transportation,

(c) Revenue earnings of the railways.

The rates policy should be guided by considerations of balancing these three elements in the frame work of general economic and fiscal policies of the Government. Naturally, if the railways are treated as a commercial concern, which is the prevailing view of the Railway Ministry (Memorandum to the Taxation Enquiry Committee page 196, Volume I, Report), the revenue earnings should not be less than the costs of transportation, depreciation of stock and interest charges being included in the costs. However, for any publicly owned industry, of such vital national importance as the railways such a principle is an anachronism and is only a relic of the past, when railways were run as commercial concerns. The constraints inherent in a privately owned railway do not apply to publicly owned railways whose primary aim should be maximisation of social welfare at present and in the future. The main thing is the effect on the rates on the economy and that is "what the traffic will bear" really means Thus if reduction of rates leads to a fall in the earnings of the railways by Rs.50 crores, while the output of commodities goes up to Rs. 100 crores, due to the greater volume of business possible at such reduced rates and if this adds Rs. 10 crores to the cost of transportation then there would be a *prima facie* case for reduction of rates whether or not the railways run at a loss, if any such financial loss of the railways may be made up by subsidies from the general revenues of the Government and with increased commodity production and income the revenue loss on railway account may be made up by other taxes, which may have a less depressing effect upon the economy or possibly by taking resort to loans. On the other hand if an increase in the rates does not hamper business appreciably, there is no reason why the earning of railways should be limited to costs plus fair return basis, since the increased revenue would help the general revenue position of the Government and help the economic development of the country. Thus the constraints essential for privately owned railways should be discarded.

In their memorandum to the Texation Enquiry Committee, the Railway Ministry further contend that the railways—"must aim at charging not necessarily what the traffic can bear but what is justified in relation to their costs of operation and essential development".

The phrase "What the traffic can bear" cannot, of course, be given a precise meaning since the volume of traffic depends upon rates and if this is interpreted as the rate that just allows traffic between two points to move at all, then naturally this could not be a proper basis of charging even if the railways were privately owned.

The second contention that the earnings of the railways should finance essential development is also questionable even for privately owned railways. On the question whether development needs of the railways should be considered in fixing rates Locklin says:

"To say that railroad earnings should be sufficient to enable railroads to raise new capital is not the same thing as saying that they should be high enough to provide new capital directly. It is sometimes argued that railroad earnings should be sufficient not only to pay a fair return on capital invested but also provide for needed additions and betterments. But investors and not shippers should provide new capital."

The analogy of large business corporations, where a major part of the development is internally financed is not valid because corporate savings most often are nativated by reasons which are not relevant to a publicly owned industry. Thus the capital needs of the railways should be completely divorced from the rates policy and should

be considered as a part of the general development programme of the Government (Q: 36).

We have seen that the cost of transportation should be a secondary consideration in fixing rates. However if the marginal costs for transporting a larger volume of goods is greater than the value of increased production, the transportation becomes uneconomic in the absolute sense. In the case of Railways, the concept and determination of marginal costs is difficult. However, cost accounting procedures have been developed so that constant and variable (out-of-pocket) costs can be determined fairly satisfactorily and the average variable cost may be regarded as marginal cost for practical purposes. A study of the costs of railway operations has been conducted by the Interstate Commerce Commission, U.S.A. and their recommendation of the rates based on the cost basis is as follows:—

(a) Variable costs should be equally borne by all traffic.

(b) Constant costs should be allocated on the value of service basis among different commodities.

Thus the average variable cost is recommended as the minimum and anything less is regarded as non-compensatory. However, some traffic has to be carried which does not even cover out-of-pocket expenses. The policy of the Interstate Commerce Commission with regard to this question has changed from time to time. The later pronouncements of these statutory legal bodies have however, justified such rates on particular commodities. Thus in 1950, in case of U. S. Sugar Corporation, vs. Atlantic Coast Line Railroad, the Interstate Commerce Commission observed:—

"To revise all rates so as to make them reflect exactly or approximately the fully distributed costs if such a thing were practicable would tend to dry up much of the traffic moving in large volumes with a consequent reduction in the contribution which the traffic now makes to the carriers general revenue needs. Such a change would increase rather than reduce the portion of the general transportation burden to be borne by the higher rated traffic." *

In this case obviously the out-of-pocket expenses are realised and the low-rated traffic shares a part of the constant costs and the justification of the above view lies in the fact that the economics of railway transportation is subject to diminishing unit costs and thus maximun utilization of capacity is always desirable, as long as out-of-pocket costs are realised. The ruling of the U. S. Supreme Court in the case of Baltimore & Ohio Railroad Co. *Vs.* United States in 1953, is even more explicit. Thus the Supreme court observed:—

"So long as rates as a whole afford the Railroads just compensation for their overall services to the public the due process clause should not be construed as a bar to the fixing of non-compensatory rates for carrying some commodities when public interest is thereby served."@

The principle enunciated before relates to the out-of-pocket cost for the transportation of increased volume of goods and the increased volume of production, induced by lower rate. There are commodities on which a rate does not even cover out-of-pocket expenses may be necessary because the economic benefit of increased movement of these may more than compensate the apparent financial loss in transportation. This may be the case of coal or fertilizers, where low rates would stimulate industrial activity, electrification etc., and agricultural production. However, this situation generally arises because of non-economic decisions and lack of knowledge on the part of consumers or farmers, since if the farmers were sure of the greater value of crops that could be grown by the use of fertilizers than inducement to farmers to use fertilizers would not be necessary by quoting low freight rates.†

Lack of finances may also be a reason why economically more efficient methods cannot be used and low rates may help in this matter. Also, the economic effect of higher rates may be very complex and may create bottlenecks in certain supplies. Thus if the rate on coal is not sufficiently low there may be pressure on industries to change to fuel oil as happened in many of the cotton textile mills in Bombay and this might upset the economy as a whole since oil is mostly imported and thus its availability is limited.

However, in general, it would be a sound principle to realise out of pocket costs and this should serve as a minimum basis for charges and low rates should be accepted only if some peculiar type of situations cited above exits. (Q: 39).

Now we come to the third element in the fixation of rates i.e. revenue earnings. This however, cannot be considered in isolation and should be related to the first element i.e. effect of the rates on the volume of industrial and agricultural production. It also has a bearing on the fiscal policies of the government.

If the revenues of the government for development purposes (which really means Social Savings) could be raised by direct taxes on incomes and profits or by taxes on commodities, *e. g.*, excise taxes and import and export duties, the ideal policy for the determination of rates of freight would be to maximise the volume of business subject to the full utilisation of the railways and realisation of the out-of-pocket costs of railway operations. This would be more in keeping with the policy for the roads where the marginal cost is almost nil and capacity almost unlimited and for which no toll is levied for the railways, the rates on this basis, may be fixed with a view to regulate

* 277 I.C.C. 193, 202 (1950).

@ 345 U. S. 146 (1953).

† Low rates on fertilizers were granted by the U. S. Inter-State Commerce Commission for the need of continued progress in the use of fertilizer American Potash & Chemical Corpn. *vs.* Aberdeen & Rockfish R. R. Co. 258 I.C.C. 743, 757 (1944).

the traffic of various nature and to keep down the total demand for transportation to available capacity since lower rates would generate a great deal of unnecessary traffic and cross-haulages which would need a strict control on traffic of all kinds, thus giving rise to tremendous administrative problems.

However, in view of the large deficits envisaged in the Second Five Year Plan finances and the difficulty of raising further taxes from the usual sources, it has been suggested that a surplus may be realised from the railways by enhancement of rates (panel of economists have suggested this generally for all public enterprises). There are certain advantages in using railway earnings to supplement the fiscal policy of the Government specially because the complex administrative procedures for commodity taxes can be avoided the cost of collection would be negligible and there would be no scope for evasions.

Thus rates should be fixed above the economically ideal level (determined by marginal unit costs of transportation and capacity of the railways) to realise a surplus for general revenue purposes. However, there is a limit to which rates can be raised without affecting production seriously and there are instances in the history of the Indian Railways where the fiscal motive in fixing rates had affected industries adversely.

The memorandum of the Railway Ministry to the Taxation Enquiry Committee states on this point :

"A tax on freight being a multiple point tax is bound to add in general to the costs of production substantially (including by way of interest on increased capital outlay) and increase the inflationary pressure. Such a course of action would not be desirable in the present circumstances. Besides, taxes on freights are a form of indirect tax on commodities and therefore, not the best method of taxation."

The Taxation Enquiry Committee notes that these observations would hold for any increase in freight rates not justified by cost consideration as this is equivalent to including a tax element in them. Indirect taxes, of course, have already taken a firm place in the fiscal policies of Governments in various countries and the panel of economists have suggested that these should be imposed on essential commodities like food and clothing *i.e.* commodities of mass consumption to raise the level of taxation and thus there should not be any objection to high freight charges on this ground.

Regarding the first objection that costs of production would rise and this will generate an inflationary pressure, we are on uncertain grounds, because a tax involves a withdrawal of money in circulation or purchasing power and by itself does not lead to inflation. On the other hand this is the only corrective when purchasing power is injected among the masses through deficit financing.

Thus the problem of determination of rates is one of balancing the prospects of maximum revenue earnings with that of maximising the total volume of industrial and agricultural output and securing that out-of-pocket costs are, in general realised. The problem in this general setting would be formidable one. However, in the present Indian context, it is somewhat simplifed by the fact that there does not exist much surplus capacity in the railways at the existing level of industrial and agricultural production. Thus the full productive possibilities of the coal mines are not being utilised at present due to lack of wagons, which in turn affects industries like brick burning etc. which depend upon supplies of coal. Thus a full utilisation of the capacity of the railways is highly desirable and would be certainly consistent with the principle of taking out-of-pocket costs as a minimum basis rates. However, even in this form the problem is difficult because it presupposes knowledge about the effect of the rate structure on the volume of industrial and agricultural production and how far increased current production can be sacrificed for greater revenue earnings.

It would apparently seem paradoxical that development of the country could be stepped up by a policy that would restrict current production. In fact, however, the point may not be reached at all where the object of revenue earnings would restrict production in any significant degree. But even if the object of revenue earnings restricts total current production it would help future development of the country if the added revenue is used for economic development. The position is similar to the role of industrial profits. Naturally, in the short range, pricing of output at zero-profit level may raise immediate production and consumption but in the long range it means only a shift from capital goods production to consumer goods production since the demand for capital goods will fall consequent on non-availability of investment funds which mainly comes from profits of industries. Considering, however, that production of consumer goods is limited by capacities of the industries and also by the institutional rigidities of the economy, the net result after an initial spurt of activity would be a diminution of total production (including production of capital goods) and growth of unemployment. Thus when the additional revenue (above the costs of transportation) are used for development purposes there would be on the whole no reduction in total production but only a relative shift from consumer goods production to capital goods production, which is the basis of industrialisation. This does not imply an absolute fall in the production of consumer goods but a fall in the share of consumer goods to the total volume of goods Produced. Thus a practical upper limit to freight rates would be obtained by the level where the full capacity of organised industry can just be utilised, provided that the capacity of the railway plant is sufficient to meet the transportation demand. If the capacity for the railways to provide for transportation cannot cope with the full capacity working of the industries then there would arise a further problem of choice regarding what industries should be favoured. Naturally a policy of industrialisation would require that capital goods industries and essential commodities for consumption should have the first preference so that the rates on other non-essential commodities should be high enough to curtail their demand for transportation.

If the rates are lower than this level, there would be a great pressure on the railway administration and would merely give a windfall profit to businessmen, who would take advantage of an unsatiated market.

The above statement of policy needs certain modifications from the point of view of individual firms in the private sector since we have so far considered an industry as a simple unit. Full capacity production may not be realised in an industry for a variety of reasons and freight rates in such cases cannot be manipulated to stimulate better utilisation of capacity. In such cases the rates should be framed so as not to restrict the capacity utilisation of the efficient units. The position of different firms who can carry on economically only when the freight rate is exceptionally low and in such case full utilisation of the capacity of the industry would be possible only if the rates are very low and thus full capacity utilisation should not be aimed at in such cases.

Geographical location of the industries and sources of raw materials may also create a similar situation so that some firms are more favourably placed than others. Unfavourable location may be due to initial lack of planning or due to the different conditions prevailing at the time these were established. Freight rates can in such cases be adjusted to enable such firms with unfavourable locations to operate though rates should exert a pressure on such firms to shift to more suitable locations and the rates should not be designed to equalise the advantages of location. (Q: 33).

When the ability of the firms to bear a certain freight rate is not due to geographical location but other factors, naturally the rates policy cannot help since it cannot be discriminatory between persons. If it is considered advisable in the general interests of the country to allow the high cost firms to operate this can only be done by some kind of subsidies and this should be of no concern to the railways.

The principles considered above may be summarised as follows:—

(a) The rates should permit the full utilisation (as far as this is practicable) of the capacity of the railways,

(b) The rates should permit the economical operation of a firm with reasonably good management by establishing special rates between points when the ability of firms to bear transportation charges depends upon geographical location (Q: 30).

Rates must also induce planning of suitable locations for new firms and for old firms to shift to more convenient location, whenever possible. There is sense in establishing discriminatory rates for old established industries and new industries being started (Q: 33). Efforts for the proper location of new industries properly through administrative action only may not be very successful unless reinforced by strong economic pressure which may be brought to bear on promoters through the rates policy. Some of the industries established in this country in the past, under protective tariffs had not paid proper attention to the transport costs in relation to raw materials and markets. The sugar industry, soda-ash industry and alluminium industry are instances of this, while the phenomenal success of the Tata Iron and Steel Co. is due, in a large measure, to the location of the plant at rate breaking point.

Rates on individual commodities: Rates on individual commodities should be determined according to the above principles from two considerations:—

(i) Effect of Rates on the demand of the commodity and capacity of fixed equipment in the industry.

(ii) Effect of rates on the demand and output of their commodities using this as raw material.

The Railway Ministry's memorandum to the Taxation Enquiry Committee justifies low rates for coal, iron and steel, ores, manures and fodder on the ground that these materials are vital for industry and agriculture and any increase in their rates to the level justified by their capacity to bear would raise prices generally. From the principles enunciated above the problem should be looked at from a different angle *e.g.* how higher rates on these commodities would affect demand of these or other commodities using these as raw materials. In the case of iron and steel and cement there is already a shortage oven with full utilisation of capacity and these should certainly stand higher transport rates especially when the tapering principle is used to reduce long distance rates. However, the rate on fertilisers should be kept at a low level to encourage its use in a greater measure.

An important factor to be considered in determining the rates is the relative immobility of the population and the need to utilise the natural resources like land more efficiently. Thus from the point of view of conserving transportation, it may be more econoimical to build industries in the neighbourhood of the mineral resources but this would not make the best use of the human resources of this country. The best policy would therefore be to confine intermediate processing of raw materials near the sources and spread the final processes throughout the country. Thus for alluminium the rate of ingots should be small while the rate for manufactured articles much higher. Similarly fruits and vegetable for supply to urban centres should be rated low to spread such cultivation in outlying regions and this would not in most cases interfere with raising other crops on the land and a similar consideration holds for fodder also.

The economics of manufacture of different articles should also be taken into consideration. If the average unit cost of manufacture falls of rapidly with the increasing size of the plant then a higher freight rate would nullify the advantages of large-scale operations and encourage local production which would however be uneconomic.

Distance rates and tapering Principle: There may be two extreme instances of establishing distance rates. Either the rates may be proportional to mileage irrespective of the distance or the rate may be the same, irrespective of the distance. Of course, even in the first case the transpor-

tation rate would not be proportional to the mileage, due to the terminal charges. If the terminal charges are levied strictly on the basis of costs, taking into account the delay in loading and unloading, the first method would reflect the cost of railway operations and this would provide the most suitable basis for planning of location of industries and patterns of agriculture. However, due to the lack of mobility of the population and in order to utilise less favourably situated resources, this principle cannot be strictly adhered to and thus the tapering principle is usually adopted so that the rate is less per mile as the distance increases. However, this principle cannot be carried too far for the following reasons :—

(i) It will not create any inducement for industries to choose proper location, to minimise transportation needs in physical terms.

(ii) It will encourage cross-haulages and disturb the natural pattern of raw material procurement, whenever there are a number of alternative sources.

Thus if the coal rates are equalised by pooling of rates industries in Nagpur may prefer to get their supplies from Bengal mines, instead of from the Karanpura Fields. (Q: 28).

In the case of an exportable commodity like Jute there is a belt around the port of Calcutta where growing of jute is economical. A steep telescopic rate or as an extreme case, the pooling of freight would extend the economic zone of jute growing and the same would happen if the demand for raw jute increases. If the demand remains constant a steep telescopic rate of pooling of freight may have the effect of extending jute growing in the far interior where it is not economical at present freight rates. While this will strengthen the farm economy in these regions at the cost of the region around the port, the net effect on the railway would be an increase in the average haulage of raw jute. If this has a beneficial effect on total agricultural output it should be adopted but not otherwise. But this needs closer study of the farm economy in this region, which has yet to be done. If, however, the demand increases, then pooling of freight or a steep telescopic rate, would increase the supply without a corresponding rise in prices, the natural advantage of the region around the port being shared by areas in the interior. (Q : 24).

The principles of determination of rates considered above would imply frequent changes depending upon the position of industries. This would, however, render the problem of location of new firms a difficult one and also introduce an element of uncertainty in the expectations of businessmen. Thus rates should be established so that they are good on the average for a sufficiently long period of time and therefore not only present economic conditions but also future prospects should be taken account of.

Utilisation of Capital Stock of Railways. The degree of utilisation of the capital stock of the railways is a very important criterion of rate fixation because of the present shortage of railway capacity and the large financial and material needs (like steel) for development of the railways. It has been shown in "Railway Transportation during the Second Five Year Plan" by M. N. Ghosh published in the Calcutta Review, October, 1955, Special Issue, that more intensive use of the capital stock of the railways is possible.

The degree of usage of wagons and locomotives depends upon the organisation of freight service along with other factors. Two such important indices of operational efficiency are :—

(a) average daily haulage of wagons
(b) average load of trains.

The average daily haulage of wagons depends upon the speed of trains, number and duration of stopovers for the marshalling of wagons and time spent on loading and unloading of wagons. Of these the speed of train is a technical factor depending upon the tractive power of locomotives and the state of maintenance of rolling stock, density of traffic etc. Thus freight service should be organised so that there should the lesser number of stopovers and less time should be spent on loading and unloading of wagons.

The average load of trains depends upon the percentage of empty wagons, full-loading or 'W' Condition of the wagons and percentage of 'smalls' or less than wagon-loads. The average train load can be increased by adjusting these factors. Of course, train speed would be reduced by increasing the load per train but this would probably be less important *e.g.* the ton miles carried per unit of time would be greater by incresing average trainloads (net) upto a certain point.

'Traffic' in 'smalls' is a factor reducing the average load of trains and should be discouraged. For this purpose it is not only enough to maintain a differential between the wagon-load rates and class rates for 'smalls', but it should be high enough to change the pattern of trade so that 'smalls' traffic is eliminated to a large extent. It would of course mean that trade will have to pass through large wholesale dealers, a situation which already exists in large trading centres. In smaller centres it may encourage monopolistic trade practices with consequent inconvenience to consumers. However, except in small local markets this is not likely to happen and in any case the railways would still accept 'smalls' traffic which will set an upper limit to margin of wholesalers. Also, to help small consignors, railways should encourage transport agents to collect small consignments to make into wagon-loads, if possible, by registering such approved agents and the difference between the rates for wagon-loads and 'smalls' must be sufficient to allow a margin of profit for such operators after meeting office expenses, providing storage facilities, which they may hire from the railways, and other business expenses. However, there are some commodities like machinery etc., for which the demand is sporadic and small and for these commodities the 'smalls' rate should not be very high. The railways themselves could, of course, undertake such functions, but that will invest the railways with great responsi-

bilities, which under present conditions they may not be in a position to shoulder.

The reason why it would be necessary to register transport operators, is to encourage business practice in such channels, because even the existing difference between the wagon-load rates and class rates for 'smalls' affords some incentive to wholesalers or transport agents and if inspite of this such kind of business has not developed it may only be explained by a certain degree of lack of organisation in the trade, which would not automatically re-adjust itself by a small change in the differential rates of wagon loads and class rates. Once the pattern of trade develops along these lines the difference between the two rates may be narrowed down without the railways being burdened with 'smalls'. Whenever possible consumer co-operatives or trade associations should be entrusted with these tasks. The same argument would hold for agricultural commodities also except that milk, vegetable, fish etc. supplies to urban areas should be charged at different rates as in this case the production centres are scattered and pooling of perishable would not be possible. Much of these would move by road if these are well-developed in the vicinity of urban areas.

For better utilisation of rolling stock rates may be quoted for train-loads. Movement in train-loads will be much foster as such trains could travel between two points like express trains with no stopovers at all. However, advantage of train-load rates can only be taken by very big shippers and it was not adopted in the U. S. A. on the ground that it fosters monopolies.

Special station-to-station commodity rates may also serve the same purpose specially for regular and heavy traffic like coal, grain etc. but unless such traffic is of a regular nature railways would not be able to move these in trainloads and private transport agents would be better suited for the task (Q : 17). In order to assist maximum utilisation of wagon space, the 'W' Condition should be stated for avarege wagon loads and the extra loading should be at nominal rates (Q : 16).

To eliminate delays in loading and unloading the demurrage rate should be stiff and facilities for mechanical handling of goods should be established more extensively. This would not only be cheaper but also the saving of time in loading and unloading would increase the average haulage of wagons. Short distance consignments, also, reduce the degree of utilisation of wagons, since loading and unloading of wagons and making up of a train take a great deal of time. Steps should be taken to reduce such traffic by diverting to road traffic, which is better suited for the task since the goods can be delivered right at the consumer's door. Diversion to road traffic may be possible by increasing the short distance charge or by increasing the terminal charge or both. However, rates are not the only problem here since good roads and organised trucking service are also bottlenecks and in the face of these mere increase in rates will not solve the real problems. 'Short hauls' are common in the vicinity of large industrial areas for the supply of raw materials or near urban centres. Regular supply of industrial raw materials does not create any problem, if the supplies are in bulk. For the urban centres where good roads exist and road traffic is well developed an increase in the rate for short distance consignments will divert more traffic to roads. Where good roads do not exist or motor transport is not properly organised, railways themselves may run shuttle services by using light diesel locomotives which will offer little restriction to movement of through traffic because of their speed. Such units will not, of course, be too numerous as short distance consignments are generally localised near industrial centres or towns (Q : 47).

It is also useful to consider the economics of motor transport to supplement railway traffic. Variable costs play a much more important role for motor transportation* than for railway transportation and motor transport is also less capital-intensive. Since shortage of capital is a big problem facing the country, encouragement to motor transport should be given to relieve pressure on the railways, especially for 'short hauls' and passenger traffic. Specially as the costs of motor transport depend to a large extent on the volume of traffic, it would be ideally suited for traffic of a seasonal nature like agricultural products.

It is also useful to study the relative costs of motor and rail transport according to distance. A study of this nature in the U.S.A.** has shown that beyond 60 miles railways have a distinct advantage over motor transport comparing costs of truckloads and wagonloads. However, for less than wagon loads and for short distances motor transportation is much cheaper.

Capital Developments. The principles of determination of rates considered before would destroy the existing relation between operational efficiency and financial returns and this would need a revision of our existing view on the management of public enterprises. For the railways, however, various indices of operational efficiency can be obtained which are surely better gauges of efficiency of management than financial returns, which for a semi-monopolistic concern is not of great value. The same argument would serve as a guide for capital developments. Thus captial development in railways should not be guided by financial returns but how far the new facilities would be used and would help the economy. In the construction of new lines the degree of usage of line capacity should be considered.

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* Interstate Commerce Commission No. 4616 "The meaning and significance of out-of-packet, constant and joint costs in motor carrier operation" (Washington D. C. 1946).

** "Comparison of rail, motor and water carrier costs" 79th Congress, 1st Session Senate Doc. No. 84 (1944).

Conclusion. Determination of rates along the above principles would need thorough study of the economics of railway transportation especially of the following nature—

(i) Cost studies of different railway operations.

(ii) The capacities of different industrial units and their locations and manufacturing costs.

(iii) The present and expected future demand for different commodities on a geographical basis.



SECTION VI

Replies from the Ministries of the Government of India
to
the Questionnaires issued by the
Railway Freight Structure Enquiry Committee.


सत्यमेव जयते

Ministry of Railways & Transport,

(Railways)

Railway Board,

New Delhi.

PART I-A.

Q: 3(i). There are at present 15 class scales and 13 wagon load scales. The adequacy of the number of classes depends upon the state of industrial development of a country. At any particular time, a sound test for the adequacy of a classification is this :—

> What is the proportion of traffic that is moving at the standard rates prescribed in the Tariffs?

Where, due to the growth of the complexity of the traffic pattern, an existing classification proves inadequate, the fact is reflected in the number of station-to-station rates that have to be quoted. The present position is that comparatively few station-to-station rates are quoted and the major portion of the traffic moves under standard rates; either class or wagon load. Therefore judged from this standard, the number of classes, together with the wagon load scales may be taken to provide a sufficiently detailed and gradual classification.

In Britain, where the traffic is perhaps more complex, the classification consists of 21 classes out of which 4 classes apply only for owner's wagons. Actually, this classification has not proved very adequate for that country, mainly because of keen competition from roads. A great deal of traffic moves under what are called "Agreed Charges" - of which there are several thousands in force. If we ignore those "Agreed Charges" which we shall be justified in doing (as road competition in India is not likely to be as serious as it is in Britain in the foreseeable future) we may say that against 21 classes considered adequate for the complex traffic of Britain, the number of classes in India is reasonably adequate.

In U.S.A., the classification consists of 30 classes, which are applied to smalls as well as to wagon loads. But, as far as information is available, only a very small percentage of the wagon load traffic moves at class rates. The bulk of it moves at what are called 'Commodity Rates', roughly equivalent to what used to be called in India 'Schedule Rates' in the past. It must be remembered that the present wagon-load rates are *not* the equivalent of the old schedule rates. The essence of the old schedule rates was their *non* uniformity, each Railway or even a portion of a Railway adjusting the schedule to suit itself. The American Commodity Rates' are more like the old schedule rates. Looking at the number alone, if 30 classes are considered adequate for America with its highly complex traffic pattern one might conclude that the existing number in India is reasonably adequate.

On the other hand perhaps the number of wagon-load scales may be reduced, as some of them are very close to each other.

The number of commodities chargeable at certain wagon-load scales is also very small (as given below) and this provides further justification for reducing the existing number.

In the case of certain class rates also the number of commodities coming there-under is limited. But while all the class rates have to be retained to keep an even spread within the limits of variation (*i.e.*, between the 1st and 15th classes), a re-arrangement of commodities among the classes may perhaps be possible as opportunity occurs.

Clase	No. of Commodities	Wagon-load scale.	No. of Commodities
1.	49	W.L./A.	3
2.	94	W.L./A.R.	4
3.	177	W.L./B.	7
4.	123	W.L./B.R.	1
5.	66	W.L./C.	34
6.	34	W.L./C.Q.	2
7.	31	W.L./C.R.	11
8.	281	W.L./D.	4
9.	86	W.L./E.	2
10.	77	W.L./F.	13
11.	13	W.L./G.	1
12.	248	W.L./H.	4
13.	80	W.L./I.	1
14.	187		
15.	366		

Turning now to the appropriateness of rates and scales in relation to each other, there is no absolute standard by which such appropriateness can be judged. Classification is an organic growth. Starting with what might be termed an elementary classification, the complexity of classification grows with the complexity of the traffic pattern—which in turn depends on the stages of economic development of the country. By and large, therefore, the relation of the existing class rates may be taken as appropriate.

(ii) (a & b). The existing Rates Structure is based upon a separation of the terminal charges from the conveyance charges. In addition, a short distance charge is also levied. The existing telescopic pattern must be judged against this background. If an all inclusive basis is to be evolved, the "legs" will obviously have to be very different.

Taking the class rates first, the "legs" are 1 to 300 miles, 301 to 600 miles and over 600 miles.

The theoretical justification for a telescopic basis is two fold :

(i) Cost of service and

(ii) Value of service.

The unit cost of conveyance gradually diminishes with increased hauls and this is *exclusive* of the terminal costs. The degree of reduction in unit costs with distance has, however, not been evaluated. Therefore, this cost of service principle does not provide any guide for deciding the correctness of legs.

As for the "Value of service", it is clear that if freight rates go on increasing in a straight proportion to distance, the burden would rapidly rise and become unbearable resulting in large number of special rates having to be quoted. This is avoided by providing a 'telescope' in the rate base itself, so that the standard rate itself would be bearable by traffic.

In the case of wagon load scales, the legs are situated variously at 100, 150 and 300 miles in different combinations. Here, an attempt has been made to suit the 'telescope' to the particular commodity listed under each wagon load scale. Wagon load scales have been applied only to a few commodities generally of low value and of considerable social importance which will not move long distance without the impetus of low rates. Hence, the wagon load scales have generally been devised not only at a low level, but also with more rapid 'telescope'.

Ripley has stated that the rate should vary roughly with the square root of the distance.

Until the changes made with effect from 1st April last the taper of our class rate scales was obviously inadequate. But even with revision effected the class rates are nowhere near Ripley's rough formula.

The freight rate taper is directly connected with the economic policy of the State.

If concentration of production at points most suited for economic manufacture is to be aimed at sharp tapering of rates will be appropriate.

But on the other hand, if dispersal of production over the several States is to be the objective the taper should be much less pronounced.

Taking all aspects into consideration it does not appear that at the present time any substantive change in the taper of the rate scales is callad for except to absorb the terminal and short-distance charges in the basic rate itself as suggested in the answer to Q: 5.

Q : 4. It is considered best that the present practice of :—

(a) providing a maximum rate per maund for all the 15 class rates, for the coal scale and for only 2 wagon-load scales applicable to foodgrains and chemical manures; and

(b) not providing any maximum rate pe maund for the remaining 11 wagoi load scales.

be continued.

The maxima rates per maund hav been fixed recognising the fact that traffi does not possess a limitless capacity to pay for transport charges and that a maximum limit is reached at some stage beyond which it would be inappropriate to levy any additional charge.

At the same time, however, it is necessary to ensure that no traffic is carried at an uneconomic rate.

It is out of the weightage to be given to the above mentioned somewhat contradicting aspects that the present apparently anomalous position has arisen.

The clue to the difference in treatment between the class rates on the one hand and the wagon load scales generally on the other lies in the relativity of the later legs of these scales in comparison with the average cost of haul.

The per maund per mile basis of the different class rate scales even in their last leg, is sufficiently high as to leave a margin after covering the out of pocket expenses of moving the traffic, so that the present maximum rate per maund in the case of these rates covers the costs in respect of even much longer hauls. Also, withdrawal of the mixima rates per maund in these cases may necessitate the quotation of a number of station to station rates.

The position is, however, different in the case of wagon-load scales.

Their per maund per mile bases are very low and those of the last leg in certain cases are as low as .15 pie per maund per mile. For a wagon of say even 500 maunds B. G. the return per wagon mile is 75 pies as against the average cost per mile B.G. for 1953-54 of 95.2 pies. The imposition of a maximum rate per maund on traffic moving at these rates in such circumstances will lead to uneconomic movements.

As an exception to the above rule, however, a maximum rate per maund has been imposed in the case of the wagon-load scales applicable to foodgrains, chemical manures and coal in view of their great social utility and the long-distances over which these items of traffic move. Particularly in the case of coal, that the main collieries are all in Bengal and Bihar is an important factor, and in fact the Committee themselves in respect of this commodity have raised the question of pooling the freight.

Q : 5. The effort of every rate structure is to provide an over-all charge which is reasonable to the trader, while being adequate to the Railway.

The separation of charges into 'Terminal charges" and "Conveyance charges" has its roots in the history of English Railways—and there is no reason to perpetuate them here. Doubtless, the Terminal charges, and the Short Distance charge ensure a closer approximation of the freight rate to the costs of operation, particularly in the case of short-distance movements, where the time factor becomes dominating and wagon usage is dispropor-

tionately high but the same result can be achieved by the more satisfactory devise getting the basic rate itself to reflect the extra cost of terminal services as well as the high comparative cost of very short movements as is done in the U. S. A.

Even in regard to "Transhipment" charge, there is an advantage in merging it in the rate basis.

Break of gauge points are not the only ones where a consignment is handled enroute. In the case of smalls, additional handlings may be involved at a number of intermediate repacking points and there has never been a suggestion that these should be separately charged for. That being so, there should be no basic objection to doing away with "Transhipment" charge as a separate charge.

For the sake of uniformity, the same bases of charges are adopted on the different gauges, notwithstanding the fact that costs of operation are widely different on the different gauges.

Transhipment, when necessary, can be deemed to be an inherent factorin transportation, and no separate charge need be levied.

All these steps will make the rate structure much simpler.

The vexatious contentions as to what are and what are not terminal services, what variations in terminals are appropriate at different stations and for different commodities, had for long resisted a solution both rational and practical, that the devise of standardised terminals was adopted in the year 1948. But even this has not burned all controversy as is evidenced by complaint No. 2 of 1954 before the Railway Rates Tribunal.

By far the largest element in the freight rate is the transportation charge, and this is based on approximations and does not take any account of the fact whether the traffic moves up a ghat or down it, in the direction of loads or that of empties, over the Broad Gauge or the much costlier Metre gauge or Narrow gauge. The relative ability to pay *vis-a-vis* the other commodities is the main consideration, and to adopt the same basis in respect of the minor items of charge such as the terminal and short-distance charges instead of attempting a meticulous "cost" basis would be entirely rational.

It seems quite clear, thus, that there is much to be gained and very little to be lost by merging the terminal and short-distance charges in the basic rates structure and doing away with the transhipment charge.

Also it is quite feasible to merge these charges in the basis by having, say, an additional leg of the telescope at 50 miles and by fixing the bases for the first 50 miles at an appropriate level.

In fact there is much to be said for evolving scales of charges, on an appropriate gradual continuous taper with distance, without any "legs" as such and absorbing the terminal and short-distance charges, as over the U.S.A.

Q: 6. The only advantage which will accrue from raising the present distance unit for charge of one mile is simplification and reduction in the bulk of the present mileage rate tables.

As against this advantage, the raising of the present distance unit for charge with the existing rounding off rule will add to the freight payable by the trade in respect of certain mileages. The percentage increase will be greater in the case of the short-distance traffic and the additional freight payable substantial, if the traffic is heavy as in the case of raw materials for industries. For instance, if the distance unit for charge is raised to even say 5 miles, a factory drawing its supplies of raw materials chargeable at the WL/C rate from a distance of 26 miles will have to pay a rate of 2 annas 5 pies per maund as against the present rate of 2 annas 3 pies per maund inclusive of terminal and short-distance charges. This will mean an increase of about 7½ per cent in the freight bill for raw materials of the industry, which the trade can claim is too heavy a price to pay for the simplification of the mileage rate tables.

No increase in the present distance unit for charge of one mile is, therefore, considered desirable for distances at least upto 300 miles, which will mean that freight charges payable on bulk of the movements on railways will remain unaffected.

It is, however, suggested that the distance unit for charge may be raised from one mile to :—

(a) 5 miles for distances from 301 miles to 499 miles; and

(b) 10 miles for distances 501 miles and beyond.

As, for distances beyond 300 miles, the later and lower freighted legs of the telescope come into play and the freight itself will not be a small amount, the addition due to the new distance unit will be insignificant and will not involve any serious hardship, while at the same time it will secure simplification of the mileage rate tables.

Q: 7. The justification for the levy of a minimum distance for charge in the case of short-distance traffic lies in the high incidence of wagon occupation in relation to the service actually performed.

The present minimum distance for charge of 20 miles for goods traffic was introdcued with effect from 1-10-1948 in connection with the revision of Rate Structure and the minimum distance for charge previously in force was 10 miles. Even though the enhancement was of the order of 100% it does not appear to have created any practical difficulties or hardship, as in the case of short hauls the terminal and short distance charges form the preponderating element.

The number of cases where the enhanced minimum involved hardship were very few and the situation was met by the quotation of suitable station-to-station rates.

No reduction in the present minimum distance for charge therefore seems called for.

Answers to questions 3 and 5 and particularly the suggestion to have inclusive rates absorbing the terminal and transhipment charges may kindly be connected in this connection.

Q: 8. The empty haulage charge on tank wagons is at present levied over the Southern Railway only. The Southern Railway's annual revenue from this levy amounts to roughly Rs. 15,00,000 per year and this charge has been in force over the ex-M.S.M., ex-S.I, and ex-M S, sections from as early periods as the years 1913, 1918 and 1929 respectively.

Attention may be invited in this connection to the observations made by the R.R.A.C.. in 1939 in case of No. 55. "The Bengal Oil Mills Association *versus* the then E.I.R." that traffic in tank wagons should be charged higher rates than traffic in containers for the following reasons:—

(i) from the point of view of the despatcher, the movement of oil in tank wagons is more advantageous than in tins or drums and it is reasonable that the railways should get a *quid pro quo*;

(ii) since the number of tank wagons available is limited, the imposition of a higher rate for despatches in tank wagons would mitigate any scramble for and the possibility of discrimination in the allotment of tank wagons; and

(iii) from the point of view of the Railway, the carriage of traffic in tank wagons is more expensive than in tins, in view of the return empty haulage of tank wagons.

Attention is also invited to the following recommendations made by the Indian Railway Enquiry Committee in 1947 in Chapter XVI of their Report :

"(89).....

> We suggest that it would not be unreasonable to add an additional charge of four annas per ton when open wagons are supplied for coal loading at the request of the individual colliery."

Railway freight rates are based on the twin principles of "cost" and "value" of service.

On the "cost of service" aspect, there are of course both advantages and disadvantages to railways in carrying oil traffic in tank wagons, inasmuch as while on the one hand, much better loads are secured on the other, the incidence of return empty haulage is much higher when tank wagons are used than in the case of box wagons.

On the "value of service" aspect, however, there can be no question but that bulk transport is of an additional value to the trade.

This clearly justifies the levy of higher freight charges on oil traffic carried in tank wagons.

The scramble for tank wagons continues unabated. The advantages to the trade in bulk transport are real and substantial, so that any fear that levy of reasonably higher freight charges for transport in tank wagons will force the traffic to move in containers does not seem warranted.

The Railway Board are not unaware of the fact that in other countries the weight of opinion is against the levy of higher freight charges on oil traffic carried in tank wagons. But they still consider that for the reasons stated earlier and in view of the need for additional revenue and of achieving uniformity of practice over all our railways the levy of such charges should be seriously considered.

There is also another question for consideration in this context, namely, whether the higher freight charges on traffic in tank wagons should be levied:—

(i) by extending to other railways the empty haulage charge at present in force over the Southern Railway; or

(ii) by charging higher class rates on bulk traffic in view of the practical difficulties involved in the recovery of the empty haulage, in that the extent of empty haulage cannot always be foreseen at the time of booking or even delivery.

It would appear the second alternative would be more suitable for adoption.

Q : 11. Present wagon load scales have been evolved out of the old schedule rates which were in existence over the different Railways prior to the revision of the Rate Structure in 1948.

While working out the present wagon load scales, the consideration that weighed heavily was the achievement of assimilation and uniformity of the old schedule rates.

An excerpt from the Railway Ministry's note to the Cabinet during the revision of 1948 is reproduced below in this connection :-

> "In working out these proposals, the Ministry of Railways could not cut themselves off completely from the past. In particular, the old absence of any relationship between class rates and wagon rates persists. Ordinarily the difference between the two sets of rates should represent the economies in transportation costs from movements in wagon loads. As in the course of revision it was not possible to ignore altogether either the class rates which had held the field so long or the schedules which individual railways quoted, the gap between the new class rates and wagon load scales remains very much greater than would be justified by the economies of bulk movement".

The following characteristics of our wagon load scles may be mentioned in this context :-

(i) All the wagon load scales (overlooking those class rates which apply in wagon loads for certain commodities, *e. g.* iron or steel) are lower than the lowest of class rates, *viz.*, Class I.

(ii) The percentage difference between the class rates and wagon load scales of rates for various mileages varies generally from 20 to 60.

(iii) In the case of commodities given class rates for wagon load movements, the percentage difference is 7or 8.

(iv) All commodities moving in wagon loads have not necessarily been given the wagon load scales, and such

scales have been confined, generally speaking, to commodities which are of great social utility and/or of low value so that they can be induced to move over long distances only by the grant of wagon load scales.

The varying gap between the class rates and wagon load scales does not obviously reflect the difference in the transportation costs for these two modes of conveyance. Nor is this the case only in this country.

Even in the industrially leading countries with far more evolved classifications, this feature persists.

In substantiation of this statement, examples of commodities which are given different wagon load scales in the U. S A., and the U. K,, even when the class rates and the weight conditions prescribed for a wagon load are the same, are given in Annexure marked 'A'.

Thus, while the existence of wagon load scales, as distinct from the rates for smalls, is a common feature in all countries, to seek to evolve any 'proper relationship' between them as the question under reply suggests, is to seek something which other countries have not attempted, and to make rate making a process of rigid scientific calculation which it is widely recognised, it is not.

To say this however is not to state that the wagon load scales that we have are satisfactory in every way.

The most striking feature of our wagon loads scales including in this term the class rates used for the purpose is that they are available for substantially fewer commodities than in other advanced countries.

Whereas in the U. K., and the U. S. A., out of a total of 8,500 and 10,900 commodity entries in the classifications, separate wagon load or large lot scales are available for 3,800 and 10,500 or roughly for 45 and 96 per cent. of the total, in India, the corresponding figures are 1912, 87 and 4.6 per cent.

Included among the commodities not having any wagon load scales in our country are many important ones such as Cotton, Gunnies, Jute, Matches safety, Vegetable oils, Piece goods, Tobacco etc.

There has been demand from the trade for wagon load scales for more and more commodities, and there can be no doubt that as time goes on more and more commodities must be granted such rates as, apart from any other consideration, by the grant of such rates, economic advantage to the country as a whole, by way of reduced operational costs, will result.

The extended use of wagon load scales in other countries has, however, been by a process of evolution; and it is not after many earlier decisions that the Inter State Commerce Commission of the U.S.A., could bring itself to pronounce that the non-quotation of a wagon load scate for a commodity tendered in wagon loads is *per se* unreasonable.

The question so far as we are concerned, therefore, is not one of what should be the ultimate goal, but of the appropriate rate of evolution towards that end.

With the present shortage of transportation capacity, wagons made available to the trade are generally used by them to the best advantage in all the prevailing circumstances of the trade movement, so that any new freight advantage conceded for wagon load movements must generally result in loss in revenue without any compensating reduction in operational cost.

Clearly, therefore, the present moment with its imperative need to maximise railway revenues is definitely inopportune to attempt any extension of the use of wagon load scales.

ANNEXURE 'A'

to reply to Question 11 Part I-A.

Statement showing names of commodities which are given different wagon load scales in the U. S. A. and U. K. even though the class rates and the weight conditions prescribed for a wagon load are the same.

U. S. A.

Articles	Less car load Ratings	Car load minimum (Pounds)	Car load Ratings
Coal treating compounds, other than petroleum, noibn, liquid, in barrels; also CL, in tank cars ...	65	36,000	35
Cocoa press cake, containing not to exceed 15% butter fat, having value other than for live stock feed mixtures or other than for fertiliser purposes, in bags ...	65	36,000	30
Mineral mixtures, animals or poultry feeding ...	50	40,000	32½
Molasses, blackstrap, de-hydrated and cane pith, mixed in bags ...	50	40,000	22½
Pine oil, in glass in barrels or boxes, or in metal cans in crates. ...	85	30,000	35
Tallow, in metal cans in crates ...	85	30,000	37½

Articles	Class
Brass blanks or Discs, e. o h. p. less than 2 tons	14
5 tons	12
Bed plates (plain), Housings, Chocks Standards, Pinions, coupling boxes and spindles (iron or steel), of machines for the rolling of iron or steel Blooms, Billets or ingots less than 2 tons per truck	14
Minimum 5 tons per truck	10
Paints, water (distempers) less than 2 tons ...	15
4 tons ...	12
Plaster, Retarder, in sacks less than 2 tons ...	15
4 tons ...	11

Q: 12. The minimum charge per ton on the carrying capacity of the wagon used was introduced for the first time in the year 1948 and the following is an extract from the note submitted to the cabinet on that occasion:

> "Short distance traffic, particularly when the load is comparatively light, restricts the earning capacity of wagons to much below an economical figure because of the high incidence of wagon occupation, in relation to the insignificant service performed. In order, therefore, to discourage the use of railways over short leads and also to ensure a reasonable return when such movements do occur, it is proposed to fix the minimum rate at Rs. 1/12 per ton, to be calculated on the carrying capacity of the wagon used. The proposal to charge on a per-ton and not a per-wagon basis, eliminates cause for the refusal of low capacity of wagons by the trade.
>
> For a 20 ton B.G. wagon, the minimum charge will be Rs.35/-, for an M.G. wagon of 12 tons it will be Rs. 21/- and for a N.G. wagon of 8 tons Rs.14/-. For low rated 'class' rate traffic loading below 5 tons per B.G. wagon, the minimum charge will be applicable upto approximately 60 miles. For high rated traffic, it will be effective only upto 20 miles".

It is fundamental in railway rate making that no rate shall be lower than the out of pocket costs in dealing with it, the "cost of service principle" thus not only influencing along with the "Value of Service Principle", the quantum of the rate relative to other rates, but also, by itself, setting the minimum level of the rate.

The terminal charges and the per maund per mile basis of the different class and wagon load scales, along with the minimum distance for charge (and the minimum charge per consignment in the case of smalls) are designed to ensure this in the generality of cases.

The case of full wagon load consignments of light commodities moving over short distances, however, presents an exceptional problem, and as the other minima prescribed are unable to achieve the basic requirement that the freight shall not be below the out of pocket cost, a minimum in terms of per ton of the carrying capacity of the wagon used had to be prescribed.

At the 1st class rate for 20 miles, about 220 mds. will have to be loaded in a wagon (B.G.) to give a return of Rs. 1/12/- per ton and at the WL/A rate- the lowest of the wagon load scales- about 320 Mds. will have to be loaded for the same distance of 20 miles.

At present, an operating minimum of 240/- Mds. has been fixed for the B. G.

It will be seen that no hardship will be caused to most of the commodities, charged at class rates as commodities should normally be able to load more than 240 maunds. Even in regard to the wagon load rates, most of the commodities to which they apply load heavily, and hardship will not be caused, except in the case of some bulky commodities which cannot be loaded to this extent.

A list of the commodities which are bulky and which do not load more than about 120 maunds on the B. G. is given below. In each case the class rate or wagon load scale applicable and the total freight for a haul of the minimum distance for charge of 20 miles are given.

Commodity.	Classification.	Wagon load scale if any applicable.	Freight per wagon load of 120 mds. for 20 miles.
			Rs. a. p.
Bagasse	2 R. R.	...	21 4 0
Bagasse, as raw materials for the manufacture of of paper	1 R. R.	WL/C ; O. R. WL/CR ; R. R.	15 10 0 (WL/C)
Baskets common country	8 R. R.	...	25 10 0
Bark Plantains	2 R. R.	...	21 4 0
Baskets, empty, used and old	2 R. R.	...	21 4 0
Cadjans	2 R. R.	...	21 4 0
Coir (not in press-packed bales)	3 R. R.	...	21 14 0
Empty cans, tins, cases for packing etc , ...	2 R. R.	...	21 4 0
Furniture made of cane	12 R. R.	...	29 6 0
Grass dry	2 R. R.	WL/CR; R. R.	16 14 0 (WL/CR)
Paper waste and cuttings	2 R. R.	...	21 4 0
Paper waste and cuttings as raw materials for the manufacture of paper	1 R. R.	WL/C; O. R. WL/CR ; R. R.	15 10 0 (WL/C)
Straw loose	2 R. R.	WL/CR; R. R.	16 14 0
Wood Wool	2 R. R.	...	21 4 0
Empty returned barrels	2 R. R.	...	21 4 0
Canes N. O. C.	8 R. R.	...	25 10 0
Cotton Waste, soft, loose	8 R. R.	...	25 10 0
Cotton mill sweepings in borahs (bundles) ...	3 R. R.	...	21 14 0
Cotton wool	14 R. R.	...	33 2 0
Rice parched	8 R. R.	...	25 10 0
Cocoanut husk loose	2 R. R.	...	21 4 0
Hide fleshings, scrapings and trimmings ...	2 R. R.	WL/B; R. R.	17 8 0 (WL/B)

Taking for example, a wagon which is used to convey goods booked over a short distance, a free time of 6 hours is given for loading, and similarly for unloading 6 hours are given. Including the incidental time taken in placing in position, marshalling etc., it will take 12 hours at the starting station and 12 hours at the destination station or one day plus the transit time both ways, which will depend on the local train service. In the generality of cases the wagon can be treated mobilised for 3 days for each round trip in carrying this traffic.

The average earning per wagon mile was 123.4 pies for B. G. in the year 1953-1954. Assuming a wagon mile per wagon day of 40 miles for the B. G., the earnings that would ordinarily accrue on a wagon for 3 days is 123.4x120 pies or Rs. 77-3-0.

The C.C. of a B.G. wagon is generally 22 tons and the return at Rs. 1-12-0 per ton for 22 tons is only Rs. 38-8-0.

The minimum fixed at about half the earning capacity is *prima facie* no more than the out of pocket cost.

In the case of grass dry bagasse and paper waste and cuttings, booked as raw materials for the manufacture of paper or strawboard, to a paper or strawboard mill, exemption from the minimum charge has been granted by the Railway Rates Tribunal (Railway Rates Tribunal's Judgment in Complaint No. 7 of 1952) and this has further been confirmed by the Madras High Court (writ Petitions No: 81 and 222 of 1954), the considerations that weighed with the Tribunal, in respect of the legal aspects and in respect of the merits of the case being :—

(i) The minimum charge fixed by Rule 82 (2) of the Indian Railway Conference Association Goods Tariff is not a charge fixed under Section 32 of the Indian Railways Act, but a condition prescribed in the same way as a weight condition. If that condition is found to be unreasonable, a complaint can be made to the Tribunal under Section 41 (1) (b).

(ii) The minimum charge condition is akin to the minimum weight condition and is therefore included in the expression "any other matter" appearing in Section 41 (1) (b).

(iii) Even if the minimum charge fixed by Rule 82 (2) be not deemed to be a condition as contemplated by Section 41 (1) (b), but a charge in itself, the Tribunal, under Section 41 (1) (c) can exempt any commodity from the levy of any charge which is unreasonable. Section 42 (2) (a) deals only with increase or the reduction of the level of a charge but not exemption.

(iv) In the case of a low grade commodity which affords a regular traffic in wagon loads, the levy of a minimum charge per wagon is unjust and unreasonable, specially when it is very much in excess of the charge calculated according to the class or wagon load rate assigned to it and when the

weight of the commodity in a fully loaded wagon is much below the minimum wagon load on which the charge is to be calculated.

(v) There would be no meaning in placing different commodities in different classes, if every commodity irrespective of its value is expected to bear its cost of haulage.

It is submitted, however, in the light of what has been stated earlier,

(a) that the theoretical case for minimum now under consideration is unexceptionable, and

(b) that the quantum at which the minimum has been fixed is also fully reasonable,

so that what is now needed is to make it clear in the statute, that this and the other minima are part and parcel of the rates scales themselves and hence out-side the jursidiction of the Tribunal, along with the rates scales as already prescribed under Section 42 (2) of the Indian Railways Act.

In the U. S. A., a minimum charge of 28.6 dollars per car is prescribed though certain commodities are exempted therefrom.

As this minimum presents the lower limit of return per wagon, based on out of pocket costs, it is considered that it will be illogical to vary it with different commodities.

Q: 13 (a & b) It is considered that the present minimum charge of Re. 1/- per consignment is somewhat inadequate and may be raised to say either Rs 1/8/- or Rs. 2/- per consignment.

The cost of invoicing, accounting, marking, care against loss or pilferage etc., is pro-rata greater in the case of small parcels than in the case of bigger consignments. Also, as they generally move in "road vans" repeated handling en route is involved with corresponding increase in costs and risk of claims. The minimum charge levied must cover these higher costs in the case of small parcels.

The minimum charge per consignment in force over American Railways (where the average freight rate is lower) is 143 cents. which, in terms of Indian currency, is very much higher than our present minimum charge and will continue to be substantially higher even if our minimum charge is increased as proposed.

A steep increase in the minimum charge is, however, not suggested as very steep increases in themselves are best avoided.

Separate minima charges per consignment for different classes of traffic are not suggested, as these would unnecessarily complicate the Rate Structure. Moreover, the purpose of a minimum charge is to cover the cost of carriage and the imposition of different minimum charges for different classes of traffic according to their value would be inherently difficult to justify.

Q: 14. It is agreed that the minimum weight for a small consignment to be carried by goods train should be suitably raised from its present limit of 7 seers.

These small consignments can easily get lost among the goods in a full wagon or busy goods-shed. it is best that the traffic is forced to the parcels service.

The increase in the minimum freight per consignment from Re. 1/- to Rs. 1/8/- or 2/- suggested in answer to Q: 13 will serve the same objective and as a further step the minimum weight per consignment of goods can be increased.

The minimum weight for charge by goods train is already half a maund, so that the raising of the minimum weight of a consigment for carriage by goods train from 7 seers to say 20 seers will not in itself involve any financial hardship.

Q: 15 Even if the principle behind the proposal is accepted, there will, it is feared, be practical difficulties in selecting a suitable "class" for the purpose.

A scale of rates lower than the highest class rate now in force will not be appropriate, as it would mean that in the case of the higher rated commodities small quantities will be charged at even lower rates than the larger quantities and splitting up of such consignments will be a consequence that will necessarily follow.

A scale of rates higher than the highest class rate on the other hand, will be more than what most commodities can bear, and will drive substantial volumes of traffic in smalls to the roads unless the maximum weight for a consignment to be treated as coming under "smalls" is fixed very low, in which event the arrangement will serve no real purpose.

In all these circumstances the suggestion is not favoured as its acceptance will not only have a disruptive effect on the classification, but will also unnecessarily complicate the Rate Structure.

Q: 16(i). The minimum weight conditions attached to the wagon-load scales have generally been fixed on the basis of weights of the various commodities that can be loaded in average sized wagons of the respective gauges.

In certain cases, doubtless, more can be and is loaded than the prescribed weight per wagon.

But this is generally due, either to variations in the density of the same commodities or to a larger sized wagon becoming available and these instances cannot obviously, be the basis for upward revision of the prescribed weight condition.

Where, on the basis *of average sized wagons* and *the normal density of goods*, any existing weight condition is unduly low, it would doubtless be appropriate to enhance it.

It must be stated, however, that such upward revisions will have to be specifically approved by the Railway Rates Tribunal as in accordance with their decision accepted by the High Court of Madras, these changes will come within the scope of Section 42 (i) of the Indian Railways Act.

(ii) The expedient suggested under this part is not considered fair to the public, as to act as indicated would be to assume,

quite incorrectly, that the basis of the classification as it now is, is movement in wagon loads, and the movement of smalls at the classified rates is purely incidental.

(iii). The suggestion under this part also, though it seems to be attractive, has the following inherent defects:

(a) It will, if implemented, lead to demands for larger types of wagons in an attempt by the trade to put in as much quantity of goods as possible into a wagon, which is a matter of significance particularly, over the M. G., where the sizes of wagons vary substantially; and

(b) When bookings are made from M. G. to B G. the 'W' condition over the B. G. is now applied on a 'C' basis. In such cases the system of a rebate or further reduced rate for quantities loaded in a wagon in excess of prescribed weights breaks down completely as it cannot be implemented.

A factor of substantial importance in this context is that owing to the prevailing transportation shortage most wagons are already loaded substantially above the prescribed weights where the merchants find it feasible, as they are not quite certain when they can expect the next wagon supply.

It would appear in all the circumstances stated, that the problem of better utilization of the available transportation capacity is perhaps best tackled not by either alternative 16 (ii) or 16 (iii) but by the quotation of suitable station rates with appropriate weight conditions, where movements are known to occur consistently without the available wagon space being fully utilised.

Q: 16. (A) Prior to 1948 the minima weight conditions applied to wagon load traffic were not uniform and each Railway applied to the different commodities such weight conditions as were considered by it to be best suited, with the result that for the same commodity different minima weight conditions were in vogue over different railways.

In order to secure simplification and uniformity these minima weight conditions were standardised for application on all railways taking into account the loadability of each of the commodities in an average sized wagon of each gauge.

With a view to obtain the best use of Broad Gauge stock, in the case of traffic from the Metre to the Broad Gauge it was prescribed that in the case of such bookings the "W" condition for the Broad Gauge will apply as a "C" condition.

Two factors of importance which have had to be taken into account in fixing minima weights are:

(i) that there is appreciable variation in the size of wagons particularly over the Metre Gauge; and

(ii) that in the case of certain commodities. such as firewood, cocoanuts etc., the weight that can be loaded in any given wagon varies substantially according to the variety of the goods (e.g. according as what is despatched is jungle wood or casuarina, is water cocoanuts or dry cocoanuts etc)

As stated, the criterion has been the weight that can be loaded in an average sized wagon. As cases come to notice, however, in which the prescribed weights require revision, such revision is authorized.

Re: *item (i)* of the question *prima facie* it would seem incongruous that 'Reinforce Concrete' which is a heavy commodity should have the same weight conditions namely, W/300 B.G., W/240 M.G., and W/180 N.G., as Bran, which is comparatively a light commodity, volume for volume. It must be remembered, however, that the entry 'Reinforced Concrete' has to cover many articles such as pipes etc., which have poor loadability.

As for item (ii) of the question also it is necessary to bear in mind, that there are three physical constants of wagons, namely the weight carrying capacity. the volume of the enclosed space and the floor area and which of these is controlling in the matter of prescribing weight conditions depends on the nature of the commodity.

In the case of heavy goods such as cement the weight carrying capacity will be controlling. In the case of lighter goods such as bran etc., the volume of the enclosed space will be important, while in the case of commodities such as kerosene oil in tins etc., the loading is done upto a certain number of tiers, and the floor area becomes the appropriate factor.

In these circumstances any fixed ratio as between the weight conditions for the different gauges is not a necessary corollary.

At the same time, however, it is not claimed that the existing weight conditions are invariably correct, and accordingly as stated earlier, changes as may be found necessary from time to time are, in fact ordered.

Q: 17. The theoretical justification for train load rates rests on the operating economies inherent in full train load movements.

To supply a train load of empties may well involve the Railway in extra expenses though generally this will be more than saved by the train load movement.

Usually, however, such very heavy movements upset the terminal arrangements and also the markets.

Even in America, where more of such traffic offers, train load rates have not been favoured on the ground that it may tend to create a monopolistic position favouring big business and therefore not in public interest.

In all these circumstances, this suggestion is not recommended for general acceptance, though 'train load rates' need not be ruled out altogether for adoption in particular instances where exceptional circumstances prevail.

Q: 18. From the point of view of 'value of service', the quicker transit is a definite advantage to the trade, and there is, therefore, no reason why this should not be taken advantage of by the railways, 'value of service' being a normal and, in fact, important factor in rate making.

There are two forms in which such a levy, if decided upon, can be imposed, namely :-

(a) as a percentage charge on the normal goods rate ; or

(b) a fixed unit charge, say four annas per maund. Of these, the former has the advantage of extending the principles of charging 'what the traffic can bear' to this extra levy as well and is therefore to be preferred.

Attached are extracts bearing on this point from the report of the Indian Railway Delegation which visited Russia and other European countries from which it will be seen

(i) that the levy of additional charges for goods carried by the express service is no uncommon feature, and

(ii) that these additional charges are in the order of 50%.

The exact percentage to be adopted will have to be worked out bearing in mind the relative freight rates charged for ordinary goods and parcels services and the relative transit periods for different distances by the parcels service, by the ordinary goods service and the express goods service.

Extracts from the Report of the Indian Railway delegation to the Soviet Railways and other European Railways (1954).

(Volume II)

SWEDISH STATE RAILWAYS.

CHAPTER XV

Para 43. "*Goods Tariffs.* The basic rates applied to ordinary goods traffic. Certain percentage additions are made if goods are to be carried as accelerated goods traffic or express parcels".

GERMAN FEDERAL RAILWAYS.

CHAPTER XVII

Para 35. "*Goods Tariffs.* All commodities moving as 'smalls' are grouped in a single class and separate tariffs are in force for carriage by ordinary, fast and express goods trains."

SWISS FEDERAL RAILWAYS.

CHAPTER XX

Para 37. "*Goods Tariffs.* There is a further noteworthy feature of the tariff structure. The normal tariff applies to loads moving in slow trains and additional charges are levied for carriage by fast trains. These increases are calculated as follows:—

(a) In the case of wagon loads the normal tariff according to class increased by 50% of the rate applicable to wagon loads falling in class No. 1.

(b) In the case of 'smalls' the normal tariff increased by 50%.

Q: 19. In accordance with Rule 25, Chapter'I of the Indian Railway Conference Association Goods Tariff No. 29 of 1954, the responsibility for loading and unloading of heavy machinery, long timber and similar heavy articles, weighing one ton and over per piece, rests with the senders and consignees respectively.

Depending on the availability of cranes and ability of the Railway to arrange the supply on the particular date on which required, the Railways, however, assist the merchants with the supply of cranes for the handling of such heavy lifts, should the merchants so require.

Also, the Railway Administration may undertake to unload the consignments with the help of a crane on levy of the usual charge, should the merchant (consignee) fail to unload the wagon within the free time allowed and it be considered essential that wagon should be released earlier.

When a crane is required to load or unload a consignment and it is necessary to bring such crane from another station, haulage charges as per Rule 115 of the I.R.C.A. Goods Tariff No. 29 will be recovered for the distance from and to the station from which the crane is brought, in addition to the cranage charge.

The foregoing are the principal rules on the subject and it is considered that they are basically sound and reasonable.

The detailed terms and conditions for the supply and use of cranes on different Railways differ, however and there is also no uniform basis of charge prescribed on an all India basis, as will be gathered from the annexed statement showing the charges and rules for supplying cranes over some of the Railways.

The data on which the crane charges over different Railways have been fixed are not readily available.

It seems fairly clear, however, that the variations in the rates are more than can be justified by the variations in the local conditions and that accordingly a fruitful attempt can be made to standardise the rules and rates for the supply and use of cranes.

WESTERN RAILWAY.

1. Hire charges for cranes at all stations except at Carnac Bridge.

Particulars of Cranes.		Hire charges per hour.
10 ton steam crane	...	Rs. 6/-
20 ton do	...	,, 9/-
35 ton do	...	,, 11/-
75 ton do	...	,, 16/-
Hand crane	...	,, 3/4/-.

In the case of cranes of capacities other than those shown above, the rate will be as for the crane with the next higher capacity. Hire charges for a minimum period of four hous are recoverable even though the crane may be used for a shorter period.

The period for which charges are to be recovered will be reckoned from the time a crane is handed over till the time it is released by the party.

In addition to the hire charges, when a crane is required to load or unload a consignment and it is necessary to bring it from another station, the following haulage charge will be levied for the distance from and to the station from which the crane is brought:—

Cranes	Broad Gauge	Metre or Narrow Gauge.
	Per mile	Per mile.
4 wheeled ...	Re. 0 6 0	Re. 0 4 0
6 wheeled or 8 wheeled ...	,, 0 12 0	,, 0 8 0
10 wheeled & above	Rs. 1 8 0	,, 1 0 0

NOTE:—When it is necessary to attach a wagon as a guard or a dummy or when a trailer is attached to the crane for the safe carriage of the crane, such wagon or trailer will be charged at Re. 0-6-0 per mile for the Broad Gauge and Re 0-4-0 for the Metre or Narrow Gauge, in addition to the above charges.

II. Hire charges for Cranes at Carnac Bridge

(1) For each package weighing 10 maunds and over but not exceeding one ton, 0-4-0 per ton or part of a ton with a minimum charge of Re. 1/-.

(2) For each package weighing over one ton, but not exceeding 3 tons, 0-6-0 per ton or part of a ton with a minimum charge of Re. 1/-.

(3) For each package weighing over 3 tons, the scale of charges given under I above will apply.

(4) Where the "L" condition applies, should a consignment, whether inward or outward, consist of a large number of packages, any of which exceed 10 maunds in weight and the owner wishes the whole consignment to be loaded or unloaded by the railway crane charges will be assessed on the invoiced weight, notwithstanding the fact that some of the packages forming part of the consignment may weigh below 10 maunds; on the other hand, where the "L" condition does not apply crane charges will be assessed only on packages weighing over 10 maunds on the actual weight.

Note. Crane charges will be reckoned on the maximum weight of the heaviest package in a wagon. For example :—

1 package weighing 2½ tons	...	2½ tons.
2 packages each weighing 1 ton	...	2 ,,
5 packages each weighing ½ ton	...	2½ ,,
10 packages each weighing ¼ ton	...	2½ ,,
18 packages.		9½ tons.

Rs. 3/12/- for the whole consignment (Charges are levied at 0-6-0 per ton or part of a ton on the weight of the heaviest package, as per II. (2) above).

(5) No demurrage charge is levied on wagons detained at the forwarding stations due to non-supply of cranes, provided the consignor has indicated in writing in the indent or at the time of indenting for wagons that he requires crane power also.

CENTRAL RAILWAY.

(A) 1 For Hand Cranes and Fixed Cranes. Rs. 3/- for each hour or part of an hour for each crane used with a minimum charge of Rs. 15/- for each crane from the time it is placed at the disposal of the consignor or consignee till the time it is released.

2. *For Steam Cranes* (a) For a steam crane of capacity of 20 tons or less Rs. 6/- for each hour or part of an hour for each crane used, subject to a minimum charge of Rs. 30/- for each crane from the time it is placed at the disposal of the consignor or consignee till the time it is released.

(b) For a steam crane of capacity of 35 tons or 65 tons Rs. 12/- for each hour or part of an hour of each crane used, subject to a minimum charge of Rs. 60/- for each crane from the time it is placed at the disposal of the consignor or consignee till the time it is released.

(B) Haulage of crane and charges. 1. The haulage charge should be made for the total distance from the nearest of the stations named in para 26-AA at which a crane of the of the description and capacity (steam or hand) requires is kept to the place where the crane is required for use and back to the stabling station named in para 26-AA irrespective of the station from where the crane is supplied.

2. If more than one crane is required to load or unload a consignment of heavy materials etc., at any particular station, the haulage should be charged from the next nearest station for the second crane, whether the latter crane was actually sent from that station or not. For instance, if two steam cranes are required to work at Akola, one should be sent from Murtazapur, the nearest station at which there is a steam crane and one trom Bhusaval, the next nearest station at which a steam crane is stationed but whether the steam crane is actually sent from these two stations or not, the haulage should be charged as from Murtazapur and Bhusaval and back respectively.

3. If a crane is sent to a station for loading or unloading a consignment and before it is worked back to its home station, other consignments requiring the use of crane power but belonging to different consignors or consignees are received the full haulage charge must be collected from each separate consignor or consignee as the case may be.

4. When more than one consignment (whether received or to be despatched) for the same consignee or consignor require the use of a crane, charge is made for the actual time the crane is in use subject to the minimum charge for five hours.

5. For the use of a crane at the station where it is stabled no haulage charge is made.

(C) Charges for Crane ordered but not used. When a crane requisitioned for is brought

from another station and is not utilised the party for whom it was requisitioned will be required to pay the haulage charge in accordance with Rule 26 (2) and also the minimum crane charge as specified in Sub-Para (A) above.

(D) *Demurrage.* Over Secunderabad division following rules are in force :

No demurrage will be charged for the period the wagon is detained for crane power provided application for crane power stating the capacity of crane required has been made to the Station Master in writing by the consignor at the time of placing the indent for the wagon and by the consignee either prior to arrival of the wagon at destination or before the placement of the wagon in position for unloading. Otherwise, demurrage will be charged from the time free time expires till the wagon is released.

(E) Packages will be loaded or unloaded by any available crane at the convenience of the Railway. The Railway cannot guarantee supply of cranes of any type or capacity.

(F) Charges for a crane shunted for the use of a siding:

When a crane is shunted into a siding for work, the siding charge to be collected will be leviable as for a four wheeled loaded wagon. No siding charge is leviable for the return journey of the crane out of the siding.

26 CC. *Crane charges at Wadi Bunder.* (1) When a consignment consisting of heavy machinery, long timber or other heavy or bulky articles, contains a single package or packages exceeding 10 maunds each in weight is tendered, necessitating the use of crane power for loading or unloading the owners have the option for arranging for the loading or unloading themselves but if a crane belonging to the Railway is used the following charges will be made :—

(a) For each package weighing 10 maunds but not exceeding 1 ton, 4 annas per ton or part of a ton with a minimum charge of Re. 1.

(b) For each package weighing over 1 ton but not exceeding 3½ tons, 6 annas per ton or part of a ton with a minimum charge of Re. 1.

(c) For each package weighing over 3 tons but not exceeding 10 tons, 8 annas per ton or part of a ton with a minimum charge of Rs. 2.

(d) For each package weighing over 10 tons but not exceeding 15 tons, 9 annas per ton or part of a ton with a minimum charge of Rs. 6

(e) For each package weighing over 15 tons but not exceeding 35 tons, 10 annas per ton or part of a ton with a minimum charge of Rs. 20.

(2) For the purpose of this rule, 27 maunds will be considered as equal to one ton.

(3) All crane charges must be prepaid.

(4) Where 'L' condition applies, should a consignment, whether inward or outward consists of a large number of packages, any of which exceeds 10 maunds in weight and the owner wishes the whole consignment to be loaded or unloaded by the Railway, crane charges will be assessed on the invoiced weight notwithstanding the fact that some of the packages forming part of the consignment weigh below 10 maunds; on the other hand where 'L' condition does not apply, crane charges will be assessed only on packages weighing over 10 maunds.

(5) Rules 25 and Sub-Rule 26-BB mentioned above, will not apply to Wadi Bunder.

Note. Crane charges to be reckoned on the maximum weight of the heaviest package in a wagon. For example:

1 package weighing 2½ tons	...	2½ tons
2 packages each weighing 1 ton	...	2 ,,
5 packages each weighing ½ ton	...	2½ ,,
10 packages each weighing ¼ ton	...	2½ ,,
18 packages	Total ...	9½ tons

At annas six per ton, that is, Rs. 3/12/- for the whole consignment per clause 1 (b).

(6) Packages will be loaded or unloaded by any available crane at the convenience of the Railway; the Railway cannot guarantee supply of cranes of any particular type or capacity.

(7) Goods requiring crane power for loading or unloading in Bombay-boilers, girders and heavy pieces of machinery requiring crane power for loading or unloading such goods, each piece of which does not exceed two tons in weight can be received and loaded or unloaded at Wadi Bunder Goods Depot.

SOUTHERN RAILWAY

CRANE CHARGES

Ex. M. S. M. Railway.

	Lifting capacity of Crane.	Crane Charge
1.	10 tons capacity and over ...	Rs. 10/- per 4-wheeled wagon load or part thereof.
2.	Less than 10 ton capacity ...	Rs. 5/- per 4-wheeled wagon load or part thereof.
3.	65 ton travelling crane at Bezwada	Rs. 6/- per hour or part of an hour subject to a minimum charge of Rs. 30/- per consignment.
4.	50 ton travelling crane at Perambur Works ...	
5.	4 ton fixed crane at Marikuppam and Oorgaum for timber consignments ...	Re. 0/2/0 per ton or part of a ton subject to a minimum charge of Re. 1/- per hour.
6.	Fixed crane of 5 ton capacity at Katpadi ...	(i) For timber consignments Rs. 2/8 per 4-wheeled wagon or part thereof.
		(ii) For other than timber consignment Rs. 5/- per 4 wheeled wagon load or part thereof.

Lifting capacity of Crane		Crane Charge
Ex. S. I. Railway.		
1. Fixed crane of any lifting capacity.	...	Rs. 1/4/0 per hour or part of an hour.
2. Fixed crane of any lifting capacity for timber and granite stones.	...	Re. 0/2/6 per ton or part of a ton lifted subject to a minimum charge of Re. 1/- per hour or part of an hour.
3. Travelling cranes - for a whole day or for a particular work not exceeding one day.	...	Rs. 1/4/0 per hour subject to a minimum charge of Rs. 5/-.

Note :—Should a travelling crane be placed at the disposal of a consignor or consignee for 2 or more successive days, a charge of Re. -/12/- per hour will be levied from the time the crane is placed at his disposal till it is released, subject to a minimum charge of Rs. 5/- for each day.

In addition to the crane charges detailed above, the following all round rates to cover the labour charge for working the travelling cranes are being made :—

(i)	Travelling steam cranes	...	Rs. 6/- per ton subject to a minimum charge of Rs. 15/-
(ii)	Travelling ordinary cranes at the home station	...	Rs. 2/- per ton subject to a minimum charge of Rs. 5/-
(iii)	Travelling ordinary cranes at out stations	...	Rs. 3/- per ton subject to a minimum charge of Rs. 5/-

Ex. M. S. Railway.

Lifting capacity of Cranes		Crane charge
METRE GAUGE :		
1. 10 ton crane	...	Rs 1/8/- per hour or part of an hour subject to a minimum charge of Rs. 7-8-0 per consignment.
2. 5 ton crane 3. 3 ton crane 4. 2 ton crane	...	Re. 1/- per hour or part of an hour with a minimum charge of Rs. 5/- per consignment.
5. 20 ton crane at Bangalore City	...	Rs. 10/- per 4-wheeled wagon or part thereof.
NARROW GAUGE :		
5 ton crane at Bangalore City	...	Re. 1/- per hour or part of an hour subject to a minimum charge of Rs 5/- per consignment.

Q : 20. The present rates for livestock and other animals are on a "flat" basis and are Re. -/9/- per Broad Gauge wagon per mile and Re.-/8/- per Metre Gauge and Narrow Gauge wagons per mile.

These rates barely cover the cost of haulage actually incurred by railways, particularly when the incidence of empty return haulage of the wagons used is allowed for.

It is the poor loadability of the animals and the consequential high incidence of freight per animal that militates against the quotation of rates on an economic level and on a telescopic basis and it is feared that in all the prevailing circumstances this rating position will have to be accepted notwithstanding the anomalies.

Under the present rules, transhipment of live-stock at break of gauge points is done by the owners or the attendants.

It is found that the loading and un-loading at the transhipments are not infrequently delayed to a considerable extent affecting adversely the wagon turn-round and as the Tariff rules stand at present, railways have no authority to levy demurrage at transhipment points as a deterrent against such delays caused by live-stock owners.

With a view to achieving expeditious transhipment of live-stock wagons at the break of gauge points, it seems necessary that railways should be empowered to levy demurrage at the usual rates, if wagons are not transhipped within a stipulated period, if being placed in position.

No revision in the other conditions applicable to this traffic has been felt to be necessary.

Q : 21. The Railway Board are unable to accept as established the correctness of the premises on which this question is based namely that the over all freight on short distance traffic is generally unremunerative.

It is precisely to avoid such a result that the terminal and short distance charges,

the minimum distance for charge, the minimum freight per consignment and the minimum freight per ton of the carrying capacity of the wagon used have been prescribed.

If the assertion is made that short distance traffic is unremunerative, notwithstanding these minima, and it is found to be correct then the remedy will lie in suitably altering these minima.

This question raises in fact the basic issue of co-ordination between the various methods of transport.

It is submitted that such co-ordination in the best interests of the country, cannot result from unilateral restrictions imposed over one method of transport as the question suggests.

Also, that any restrictions imposed must not be arbitrary, but should be based on the *relative* economics of the several methods of transport.

The Freight Structure Enquiry Committee will doubtless make recommendations in regard to short distance traffic and the several minima after due enquiry into whether in fact such traffic is now unremunerative. In doing so it seems best that rail transport is taken by itself.

The prescribing of rates and charges for each of the methods of transport, based on its economics, must in itself ensure, by and large, the normal flow of traffic by the means of transport best suited to carry it, and thus achieve the maximum economic advantages to the country.

Doubtless it will not be the complete answer to the problem of avoidance of uneconomic competition. But it is the answer on the rating side, and the rest of the aspects are best dealt with by the other machinery which already exist or are under contemplation, such as the "Code of Principles and Practice in the Regulation of Motor Transport," and the body visualised vide item 2 of the terms of reference to the Rail-Sea Co-ordination Committee reading as follows:—

> "To advise whether any standing machinery should be set up for considering all problems concerning Rail Shipping Co-ordination or allocation of traffic between two forms of transport."

Q: 23. In dealing with this question, it is necessary to bear in mind very clearly the distinction between a freight pool operated by the railways whereunder they would charge the same freight (on the average basis) for all movement of a commodity irrespective of the length of haul, and a freight pool operated by the trade agency with or without the support of statutes whereunder a uniform delivered price F.O.R. destination is quoted and enforced irrespective of the distance from the producing centre.

The second form of freight pool is no concern of the Railways and we cannot be concerned with it here.

The first form of freight pool has not, as far as is known, been attempted elsewhere. Also, it is against all accepted canons of rate making, against the existing statutory provisions in this regard and in fact such as to be rejected at once on even mere practical considerations.

Distance is the very basis on which all rate structure is built and the basic dictum that geographical advantage or disadvantage is not to be annihilated by rate manipulation can have no meaning if distances are to be a matter of no consequence.'

In a Railway and Canal Traffic Case (Vol. III, page 426), the Commissioners observed:—

> "There is no better measure of the service a railway company performs in the conveyance of goods than the distance over which the goods are conveyed and the due and reasonable charge is that which is proportioned to the service rendered".

Again, in the words of the Inter State Commerce Commission (6 I.C.C. 195 at pages 244/245):—

> "It is not the duty of carriers, nor is it proper, that they undertake by adjustment of rates or otherwise to impair, or neutralise the natural commercial advantages resulting from location or other favourable condition of one territory in order to put another territory on an equal footing with it in a common market. Each locality competing with others in a common market is entitled to reasonable and just rates at the hands of the carriers serving it and to the benefit of all its natural advantages".

Our own Railway Rates Advisory Committee and the Railway Rates Tribunal have stated:—

Railway Rates Advisory Committee (Case No. 4).

> "Distance is a factor which cannot be eliminated, and places cannot be deprived of the advantage of their location."

Railway Rates Tribunal (Complaint No. 1 of 1950).

> "It is not the function of the Railways to regulate business or to build up or destroy markets or make rates solely with ragard to the ability of the shippers to meet commercial competition, but it is their duty to serve business interests equally and equitably. Neither is it the function of the Railways to undo the effect of natural advantages and disadvantages arising on account of the geographical situation of the industries".

Section 41 (2-i) of our Railways Act reads:—

> "Whenever it is shown that a railway administration charges one trader or class of traders or the traders in any local area lower rates for the same or similar animals or goods, or lower rates for the same or similar services, than it charges to other traders or classes of traders, or to the traders in another local area, the burden of proving that such lower charge does not amount to an undue preference shall lie on the railway administration."

the lower rate referred to here being lower per maund per mile rate.

Also, what are the practical consequences which will follow from a freight pool operated by the Railways?

So that the financial return to the railways may not be impaired, the pooled freight will have to be the weighted average of the freight at present charged.

Immediately such a freight rate is quoted, substantial portions of the shorter distance traffic will be diverted to other methods of transport and also will shrink in themselves due to the heavier freight incidence, while the longer distance traffic will be stimulated with additional revenues to the railways entirely disproportionate to the lengths of haul involved and the expenses incurred.

Also, from the point of view of the trade except in the case of monopolies or near monopolies—there will be a complete upset of the balance of competitive strength.

The cheaper production units located close to the source of the raw material will thrive at the expense of the alternative units located close to the consuming centres, which so far made up, by the freight advantage, their higher cost of initial production.

Furthermore, a freightp ool operated by railways must inevitably lead to cross movements and long distance movements as between competing interests and there will be a tendency among the major producers to concentrate the production of each in one or a very limited number of producing units irrespective of length of haul involved in the distribution. And from all this, waste of national transportation effort must follow.

The telescopic feature of the rate structure and the quotation of group rates are the contribution of the Railways towards minimising price variations, and it seems quite clear that they, on their part, can go no farthar in this regard.

Q: 24. The answer to Q: 23 may be connected, wherein the operation of a freight pool by the Railways has not been advocated, as being against accepted principles of rate making, against the current provisions of the Railway Act and also as being unpractical.

Apart from those general observations, the Railway Board do not agree that beyond a limited radius of Calcutta it becomes uneconomical for the cultivators to grow jute on account of the freight. In fact, the great bulk of raw jute consumed at Calcutta and in its neighbourhood, or exported through the port of Calcutta, has been, for decades, drawn from the distant producing centres in East Bengal, North Bengal, Bihar and Assam, and it is only in recent years and after the partition of the country that the agriculturists in neighbouring areas of Calcutta, namely, 24 Parganas, Nadia, Murshidabad and Burdwan Districts, have taken to growing jute in increased quantities as a money crop.

Set down below are the price variations of raw jute in the Calcutta market as on the Ist week of each quarter in the last three years, as extracted from the Indian Trade Journal :—

First week of quarter commencing		Price of Jute per maund. Rs.	as.	ps.
January 1953	...	38	0	0
April ,,	...	38	0	0
July ,,	...	30	8	0
October ,,	...	29	0	0
January 1954	...	35	0	0
April ,,	...	31	8	0
July ,,	...	28	0	0
October ,,	...	32	0	0
January 1955	...	37	8	0
April ,,	...	38	0	0
July ,,	...	28	0	0

Assuming the longest haul, under ordinary circumstances, of 700 miles, the railway freight per maund is Rs. 2/13/11.

It will at once be apparent, from these figures, not only that the incidence of freight on the selling price of jute is by itself not excessive, but also that the price variations being substantially more than the freight for the maximum haul, production and sale must necessarily be controlled by factors entirely unconnected with the freight.

Two further factors which make the creation of a freight pool in the case of jute even less attractive than the general proposition of freight pools are :—

(i) that this traffic is particularly susceptible to competition by inland waterways; and

(ii) that besides Calcutta, there are jute mills also at Kanpur, Raigarh, Nellimarla and Guntur, and the relativity of rates as between jute and gunnies is an important factor in the competitive position of the several mills, which should not lightly be upset.

Q: 25. Vide their reply to items 23 and 24 of the questionnaire, the Railway Board do not advocate the operation of any freight pool by the railways.

Q: 38. The general policy of the Government to control or fix ceiling prices for particular commodities does not normally affect the quantum of freight rates for such commodities or their raw materials, which are fixed in accordance with the normal principles of rate making.

The timing of freight changes in these cases is, however, affected, in that generally speaking enhancement or cancellation of station to station rates is effected either so as to synchronise with price variations as decided upon by the appropriate Ministry or, at any rate, after adequate notice to such other Ministry.

Q: 47. Railways already provide facilities for "clubbing" of consignments, *vide*, relevant extract from the I.R.C.A., Goods Tariff given below :—

W/- Followed by a figure indicates the minimum weight in maunds per 4-wheeled wagon to which the rate applies, *e.g.*, W/300 means that the rate applies to a minimum wagon load of

300 maunds per 4-wheeled wagon, 450 maunds per 6-wheeled wagon and 600 maunds per bogie wagon. Should wagons of a lower carrying capacity than the minimum weight specified be used, charge will be made on the carrying capacity of such wagons, subject to Rule 56. *The minimum weight may be distributed over different commodities loaded in the same wagon for which the weight conditions and the rate are the same, provided they are booked together as one consignment by one sender to one destination on one invoice. Where the rates and conditions of carriage through to destination are not the same, Rule 86 (3) applies.*

The minimum weight may also be distributed over different consignments of the same commodity up to a maximum of four consignments per 4-wheeled wagon, six per 6-wheeled wagon and eight per bogie wagon from the same sender or different senders to the same consignee or different consignees booked on the same date from the same station to the same destination in the same wagon provided that:

(a) The sender or senders tender a separate Forwarding Note for each consignment with full particulars of all consignments proposed to be despatched, duly endorsed on every Forwarding Note, with the request that these be clubbed together for purposes of freight charges.

(b) Separate invoices and Railway Receipts are issued for each consignment, but each Invoice and Railway Receipt contains details of the other consignments booked showing that the minimum condition has been complied with.

(c) Packages forming part of each consignment are separately and distinctively marked.

Note :—For the purpose of this rule, the term, "same commodity" means a particular commodity or commodities under the same main head of classification to which the same rates and conditions of carriage apply through to destination.

Similarly rules for clubbing of consignments also exist, covering the cases of minimum weights quoted on the basis of "per consignment" or "C.C." of the wagons used.

Normally the small agriculturists either dispose of their goods to the local traders who make purchases on the spot or cart the goods to the nearby "mandy" for such sale, and instances of their wanting to trade and make despatches on their own account are not common.

In any case the rules for "clubbing" referred to earlier can be made use of by such small agriculturists also and it does not appear that on the rating side any thing more can be done.

As for warehousing, railways do not have the necessary facilities to undertake it; nor can they divert to this purpose their present resources in money, materials and men, so badly required for meeting the prime need to maximise transportation capacity.

It is understood that the Ministry of Food & Agriculture contemplate sponsoring legislation for the purpose of the development and warehousing of agricultural produce on co-operative principles. While the railways are not in a position themselves to provide warehouses, they will co-operate to the fullest extent with the National Co-operative Development and Warehousing Board and the Central Warehousing Corparation which will be set under the proposed legislation.

Q: 55. In answer to this question the Railway Board would like to re-emphasize the proposal included in their answer to question No. 5 of Part I of the Questionnaire, that the terminal, transhipment and short-distance charges, instead of being levied separately, be merged in the basic rate itself to reflect extra cost of terminal services as well as the high comparative cost of short movements as such a course, besides being rational, will lead to considerable simplification of the tariff.

What constitutes terminal services and what variations in terminals are appropriate at different stations and for different commodities has been a bone of contention for long time past between the Railways and the trade, and as is evidenced by the recent decision of the Railway Rates Tribunal, in Complaint No. 2 of 1954 before them, the controversy is still hanging fire.

The largest element in the freight rate is the transportation charge which is based on approximations and does not take any account of the fact whether the traffic moves up a ghat or down it, in the direction of loads or that of empties, over the Broad Gauge or the much costlier Metre Gauge. This being so, in respect of minor items of charge, such as, the Terminals and Short distance charges, it would only be correct and logical if instead of attempting a meticulous "cost basis," the relative ability to pay be made the consideration.

As for the transhipment charge also, as had been stated while answering Q: 5, the break of gauge points is not the only one, where consignments are handled *en route*, as for example the case of smalls involving additional handlings at a number intermediate re-packing points, for which no separate charge for transhipment is levied.

PART II.

Q: 7. The total amount paid by the Indian Railways on account of claims for compensation five years prior to 1949 and thereafter are given below:-

Year.		Amount paid.
1944—45	...	81,72,324/-
1945—46	...	144,97,301/-
1946—47	...	90,33,649/-
1947—48	...	131,41 892/-
1948—49	...	226,56,836/-
1949—50	...	408,10,198/-
1950—51	...	332,61,713/-
1951—52	...	291,80,867/-
1952—53	...	318,66,922/-
1953—54	...	289,22,804/-
1954—55	...	255,45,116/-

It will be observed from the figures that there has been substantial increase in the amount paid from 1949 onwards. But this increase is mainly attributable to increased theft and pilferage of goods in transit by rail, so that no inference can be drawn therefrom in regard to the added liability thrown on to the railways as a result of the aforesaid amendment of the law.

The onus of proving negligence and/or misconduct in cases of goods defectively packed and/or carried at owner's risk rate has continued to lie with the claimants. Relief from liability for the Railways has resulted more from this position in regard to onus than from the relative scope of the two terms "negligence" and "misconduct". Even prior to 1949, as time went on case law gradually whittled down the difference between the two terms, so that the only circumstances in which the change in the term has really added to the liability of railways are cases of delayed delivery. Previously, majority of such cases were decided in favour of the railways, but now the term "negligence" is treated as covering the reasons behind delays.

Cases of this nature are not many, however, so that no justification exists for further narrowing the difference between the owner's and railway risk rates merely on this account.

Q: 8. The present position in the matter of availability of alternative risk rates as stated in the question is correct.

Generally the practice is to quote rates only at railway risk, both for wagon loads and for small lots, where the commodity does not involve any significant transit risks. An exception to this rule is the case of commodities moving in bulk such as coal, ores etc., where class rate for smalls is quoted at R. R only, while wagon load scales have been provided both at R. R. and O. R.

When the risk of loss, damage, deterioration etc.. is not insignificant, alternative Owner's Risk classified rates, one or two classes below the Railway Risk rates, are provided, depending upon the degree of liability to loss, damage, deterioration etc. The wagon load scales in such cases are quoted at Owner's Risk only.

Alternative Owner's Risk rates for certain specified commodities only are in force over the British Railway also, while over the Canadian Railways Owner's Risk rates such as "Owner's risk of breakage" "Owner's risk of damage" "Owner's risk of weather" etc., are provided. In the U.S.A. and the U.S.S R., no alternative Owner's Risk rates are quoted; but in the U,S.A., for certain specified commodities, Railways take no responsibility beyond the declared value and quote what are called "released" rates. It will be thus seen that the practice of having owner's risk rates for certain commodities and not having them for others exists in some of the advanced foreign countries also.

It is considered that theoretically the most satisfactory solution of the problem of risk rates would be completely to eliminate the owner's risk rates. The provision of two sets of rates, one at Railway Risk and the other at Owner's Risk, can, in the long run, neither benefit the Trade nor the Railways, provided the relativity of the rates correctly reflect the risk in transport involved, which it must. The only consequence of the retention of such rates will be irritation it causes, as between the Railways and the Traders, as to whether the repudiation of particular claims on the grounds of booking at Owner's Risk was proper.

There are, however, certain practical considerations which make it difficult to advocate complete elimination of Owner's Risk rates.

The elimination of Owner's Risk rates in the case of perishables, it is feared, may lead to vexatious disputes as to the liability for damage etc., to such consignments, as the damage in many cases may be due to the over-ripe condition of the fruit etc., when tendered for despatch, rather than to transit delays. It will be impossible to assess in such circumstances, the extent of damage resulting from each cause. Booking at Owner's Risk, with the onus on the traders to establish negligence on the part of the railways, will have practical advantages under these conditions.

Similarly, in the case of commodites moving in bulk, in open wagons, such as. coal, ores etc., the elimination of the Owner's Risk rates may lead to unnecessary disputes as to liability for loss of weight in transit. As by mere examination of the wagon loads, it cannot be stated whether there has or has not been transit shortage, requests for re-weighment of such consignments at destination will become universal. This will involve unnecessary operational difficulties and hold-up of wagons, which, in the context of the present day shortage of rail capacity to meet the transport needs of the country, the country cannot afford.

At present requests for re-weighment of such wagons at destination are not entertained by railways and the trade generally fully appreciate the difficulties of the railways in the matter. But should the rates be at Railway Risk, requests will be made, as indicated to reweigh *all* such open wagons as until the wagon is re-weighed, there will be no means of knowing whether there has or has not been any shortage.

While, thus, the Railway Board consider that the Owner's Risk rates may be eliminated generally, they consider that an exception should be made in the case of perishable commodities and commodities moving in bulk. generally in open wagons like coal, ores, firewood etc., for which Owner's Risk rates should be retained.

If this view is accepted, it will not be necessary to make any change in the statutory provisions permitting railways to limit their responsibility for loss, destruction or deterioration, when senders elect to book their traffic at the O. R. rates, and the elimination of Owner's Risk rates for commodities other than those indicated above can be implemented by executive orders.

Q: 9. The percentages by which the O.R. rates are at present lower than the corresponding R.R. rates over the Indian Railways are indicated below:—

At class rates level :

(a) Dangerous commodities classified at 15th class R.R. & 14th class at O.R.	From about 18 to 23 % for different leads.
(b) Dangerous commodities classified at 15th class at R.R. & 13th class at O.R	From about 25 to 44 % for different leads.
(c) Other commodities classified at rates below 15th class at R.R. and having O.R. rates only one class lower	About 10%.
(d) Other commodities classified at rates below 15th class at R.R. and having O.R. rates 2 classes lower	About 15%.

At wagon load scales level :

(e) Commodities for which Wagon-load scales have been provided both at R.R. and O.R. rates	About 12 to 20% for different leads.

Over the British Railways reductions varying from 2½% to 12½% are allowed from the standard or exceptional Railway Risk rates where damageable merchandise is carried under O.R. condition.

In South-Africa the percentage increase for railway risk rates over the owner's risk rates is 10%.

In Canada, for certain exceptional commodities for which O.R. rates are quoted, an additional charge of 25% is to be paid for carriage at railway risk.

No firm conclusions can, however, be drawn from these figures in the absence of detailed information as to the relative freight levels as also the relative risks governing O.R. and R.R. bookings. Also, allowance will have to be made for the difference in transportation conditions and in the trade practices in regard to packing.

There can be no questioning of the theoretical proposition that the difference botween R.R. and O.R. rates should, represent the actuarial value of the transferable risk for each commodity.

The determination of the actuarial value of the transferable risk for different commodities is, however, a matter for detailed examination requiring collection of massive data.

In U.K., this examination was conducted by the British Railway Rates Tribunal, who had protracted consultations with the trading Interest, Insurance companies and the Railways.

In this country also, for the difference between the R.R. and O.R. rates to be equated to the actuarial value of the transferable risk, similar detailed examination and collection of massive data will have to be undertaken.

The details now available with the railways will be of little assistance in the matter as in several cases of losses, damage etc., to consignments the owners may not have preferred any claims having regard to the O.R. condition of booking. In others, where claims were preferred, the amount claimed would not have been verified by railways owing to the absence of their liability under the present O.R. conditions of booking and the figures of amounts claimed in such cases available in the files are likely to be highly exaggerated, and will not serve as a reliable guide to assess the risk actually involved in transit.

In view of these difficulties collection of the requisite data for the determination of the actuarial value of the transferable risk for various commodities will have to be specially planned, and it will take a long period before final conclusions can be reached.

Attention is invited, in this connection, to the reply to Q: 8 of Part II of the Questionnaire wherein it has been suggested that O R. rates for most of the commodities be eliminated.

Q: 10. Attention is invited to the answers to Q: 8 and 9 of Part II of the Questionnaire wherein comments have been offered in regard to the elimination of owner's risk rates. with a limited number of exceptions.

At present the Owner's Risk rates are the effective rates, and it would therefore be only appropriate, if when they are cancelled, they are replaced by R.R. rates with the additions to them of the amounts representing the actuarial value of the transferred risk, to be assessed as indicated in the answer to Q: 9.

Q: 11. Attention in this connection is invited to answers to Q: 8, 9, & 10 of Part II of the Questionnaire, wherein it has been suggested that the O. R. rates be generally withdrawn and be replaced by suitable rates at R. R.

So far as excepted articles are concerned there are two issues on the rating side, namely:

(i) the elimination or otherwise of O. R. rates where, separate rates at O. R. exist, and

(ii) the continuation or elimination of the present "percentage charge" basis of levying additional freight where the value of the commodity in a package exceeds Rs. 300 there being an appropriate increase in the classified rate in case the percentage increase is to be eliminated.

Issue No. (i) affects only the cases of packages wherein the value of the excepted commodity is less than Rs. 300 and there seems no reasons why the O. R. rates in these cases should not be eliminated as generally recommended.

As for issue No. (ii), our practice of levying "percentage charges" is not basically different from the practice in U. S. A. of charging "released risk rates."

Excepted articles are commodities of special value. In respect of many of them, as in the case of "Carvings", "Works of art" etc., the mere commodity description and weight will be of no help in assessing, even approximately, the value of the consignment. By not getting the value of the goods declared at the time of booking, in such circumstances, railways will run considerable risks of having to meet exaggerated claims should the packages be lost or damaged. The present practice also enables the railways to know in advance when valuable consignments are tendered and to make suitable arrangements for their

conveyance. Also, the system has the further merit that when the railways undertake the transit risks in these cases the remuneration to them will be proportional to the monetary value of the risk as distinct from the weight of the consignments.

It is submitted, in all these circumstances, that the present practice of levying a percentage charge on "excepted articles" may be continued, a review being undertaken at the same time, however, of the list of "excepted articles" as at present in force, in the light of the conditions now prevailing.

Q: 12. This question envisages a graded rebate from the total freight charges at the Railway Risk, depending on the nature and extent of the risk which the trader undertakes to bear himself.

Apart from the difficulty in evaluating the actuarial value of the different types of risk for different commodities, adoption of such a system can, in the long run, be advantageous, financially, neither to the railways nor to the trade, provided the rates are correctly worked out, but will, on the other hand extensively complicate the Rate Structure and be a perpetual source of difference of opinion between the railways and their clients.

It is considered, in all these circumstances, that the suggestion does not deserve serious consideration. In fact as has been advocated in the answer to Q: 8 any changes that we make in this respect should be, it is considered, in the opposite direction and be directed towards eliminating, the extent possible, even such of the Owners Risk Rates as we now have.

Q: 13. Matches safety are classified 15th class at R.R. and 14th at O.R. Normally these are required to be packed in dust-tight wooden cases or in air-tight tin or zinc boxes, and if so packed these can be booked either at Railway Risk rates or at Owner's Risk rates. If packed in fibre-board cases, however, these are accepted for booking only at the 14th class O. R. rate, bookings at the 15th class R. R. rate being not permitted.

Under Section 74(A) of the Indian Railways Act, if the prescribed packing condition is not complied with, railways are required to be exonerated for *any leakage wastage or damage* to the cnosignments *arising out of the defective or improper packing* except upon proof of negligence or mis-con luct on the part of the Railway Administration or its servants.

Section 74 (c), on the other hand, lays down that when consignments are booked at the lower O. R. rate, the Railway Administration is not responsible for *loss, destruction or deterioration* of or damage to such consignments except upon proof of negligence or mis-conduct on the part of the Railway Administration or its servants.

The words shown in italics above are significant and clearly indicate the difference in the nature and extent of liability of which the railways are relieved in the two sets of circumstances. Put differently the words "to be carried at owner's risk only" can convey two substantially different things.

As stated earlier, when matches are packed in fibre-board cases, these are accepted for booking only at the O. R. rate in accordance with the regulations laid down in Appendix VI of the I.R.C.A. Red Tariff No. 17. Instructions also appear in the I.R.C.A. Red Tariff for booking at Owner's Risk only in the case of certain articles packed in accordance with a relaxed packing condition as shown in the following statement. It will be observed therefrom that some of these articles are classified only at R.R. rates, *no alternative O. R. rate being available.*

One is left to guess in some of these cases, when the standard packing condition is not complied with and the consignments are packed in accordance with the relaxed condition, which of the two alternative immunites from liabilities applies, namely that provided in Section 74(A) or that in Section 74(C).

The exception to the normal rule that the rate chargeable is not linked with compliance or non-compliance with the standard packing condition, which appears in the case of matches and the other similar commodities listed, thus introduces further complications in the Rate Structure, which, it is considered, is best eliminated, making the required provision in the Red Tariff clarifying that when the standard packing condition is not complied with and the consignments are packed in accordance with the released packing condition, these will be booked, but under the protection to the Railways afforded by Section 74(C) of the Indian Railways Act.

Name of commodity :	General classification R.R.	O. R.	General packing regulations :	Reference to page No of the I.R.C.A., Red Tariff:
Perchloride of iron, solid (Ferric chloride, solid) ...	14	...	In jars not exceeding 7 gallons capacity at owner's risk only...	101
Acid, glycerophosphoric ...	14	13	In carboys at owner's risk only...	103
Acid, phosphoric ...	14	13	do ...	103
Acid, sulphurous (solution) ...	15	...	In carboys (with an effective vent in the bung) at owner's risk only. ...	103

Name of commodity :	General classification R. R.	O. R.	General packing regulations :	Reference to page No. of the I.R.C.A. Red Tariff :
Acid, sulphuric, diluted, containing not less than 60 per cent. by volume of water ...	14	12	In carboys at owner's risk only... In Jars at owner's risk only ...	105
Ammonium fluoride, liquid, ...	15	...	In lead or guttapercha vessels, packed in kieselguhr or similar material in cases at owner's risk only ...	110
Matches safety ...	15	14	Matches safety, may also be carried in fibre-board cases which must comply in every respect with the regulations given in Appendix VI of the I.R.C.A., Red Tariff. ...	140

Q: 14. The provisions under Section 72-A of the Indian Railways Act, dealing with execution of forwarding notes, comprise of two parts, namely, those governing the declaration of the nature of the goods, sender's weight, etc., as have been in force for many years, and those added when the Risk Notes were abolished in the year 1950.

In regard to these forms and their execution there have been no complaints from the public nor have there been any practical difficulties from the point of view of the railway.

Under the section, forwarding notes are required to be executed for carriage of goods *by trains other than Goods Trains*, when the goods comprise of articles carried at Owner's Risk rates, those of perishable nature, those mentioned in the Second Schedule, those defectively packed or in defective condition and in the case of explosive and other dangerous goods. There is, however, no mention, in this Section, of the need for execution of forwarding notes when *animals* are tendered for carriage by trains other than Goods Trains, although in view of the provisions of Section 73 of the Indian Railways Act, it is necessary that the value of such animals be declared.

It is considered that this lacuna in the law may be removed by making a suitable provision in Section 72-A, in regard to the execution of forwarding notes when animals are tendered for carriage by trains other than Goods Trains.

Q: 15. The standard packing conditions, and other special conditions of packing applying to particular commodities, have been framed with the object of ensuring that goods tendered for despatch by rail are reasonably secured against pilferage, damage, leakage etc. These have been framed as a result of long experience, and sometimes after careful tests and experimental bookings of the goods to which they apply, and they have generally been found to be satisfactory.

There is, however, scope for improving upon the packing conditions as now notified in one direction.

While the packing conditions now prescribed detail the nature of packing-namely cases, casks etc. the specifications of the cases, casks etc. are not generally given. These specifications are also important, as the nature of packing alone cannot ensure its adequacy, and it is in recognition of this that specifications are also prescribed in the U. S. A.

We, at present, use expressions such as "strong" and "extra strong", as appearing in the definitions of packing conditions P/7A and P/7B, and these are not sufficiently specific to be effective.

Q: 16. Compulsory packing conditions have already been prescribed for such commodities for which these are considered necessary under existing conditions.

Doubtless in U. S. A. articles tendered for transportation are refused for shipment unless in such condition and so prepared for shipment as to render the transportation thereof reasonably safe and practicable. In this country, however, the standard of passing is generally much below the standard adopted in other industrially advanced countries like U.S.A. and U.K. and although the industrial skill in this country is increasing, extensive application of compulsory packing conditions will be viewed with disfavour by the trade.

Section 74-A of the Railways Act provides reasonable protection to the Railways against the consequences of inadequate packing by the owners.

In all these circumstances, any large-scale extension of the compulsory packing conditions to further commodities need not it is considered, be specially launched, but that the list of commodities to which compulsory packing conditions apply can be gradually added to as the situation develops and the need arises.

Q: 17. (a & b). Some of our Railways did consider in the depression of the middle thirties the feasibility of having warehouses, close to the station and served by sidings, at certain important trade centres wherein the traders could keep their goods indefinitely

on payment of rental, but much headway was not made.

Such warehouses can be of substantial benefit to the community and to the Railways.

The community will benefit by the fact that carting from the stations to the wholesalers' godowns will be saved while to the railways there will be obvious advantages, in competition with road services, in developing centres of business activity close to railway sidings.

Apart from the question of the agency most suited to provide such warehouses, the Railway Board consider that the present time, with its heavy call on men, material and financial resources, for other purposes, is not opportune to divert their available resources to such schemes.

The Board, however, have noted with considerable interest the initiative of the Agricultural Ministry in recently sponsoring the Agricultural Produce (Development & Warehousing) Corporation Bill, 1955, and propose to co-operate to the fullest extent with the National Co-operative Development and Warehousing Board and the Central Warehousing Corporation to be set up under this Statute.

Q: 18 (a & b). As against Rs. 4.28 lakhs paid as compensation claims during 1938-39 the Indian Railways are now paying approximately nearly Rs. 3 crores per annum on this account.

Besids strengthening and reorganising their watch and ward forces, since designated as Railway Security Force, the Railways are also paying Rs. 55 lakhs per annum on the maintenance of Railway Protection Police in most of the States, where the crime position is bad, though the intention still is that the Railway Protection Police should not be a permanent feature, as combating crime in the country is the normal responsibility of the State Government. This responsibility has also been emphasised in the recommendations of Shri B. N. Mullik Director, Intelligence Bureau, Government of India, which have been generally accepted by the Government. It would not be expedient for the Railways to take on themselves the liability of an "insurer" or "common carrier" to cover what properly is the responsibility of the State Government unless there are clear indications that this responsibility will be effectively discharged. Particularly in the present context of continued heavy thefts and pilferage of goods in transit by rail over the Indian Railways, the present time, in any case, is singularly inopportune for the railways to assume the liability of a "common carrier" or "insurer" of goods instead of that of a "bailee".

Other factors, which are peculiar to the Indian Railways and should also be taken into account in this context, are :—

(i) greater incidence of damage (particularly damage to perishables etc) at the transhipment points because of various gauges, there being a considerable number of such points over the Indian Railways;

(ii) the standard of packing of the goods in India not being of a very high order as is in the more advanced countries where the liability of the railway is that of a "common carrier";

(iii) the wide variations in climatic conditions, and

(iv) the comparatively long hauls with greater hazards in respect of delay in transit.

In all these circumstances, it is felt that no change should be made at this stage.

Q: 19. The most effective steps that can be taken would be those that can eradicate crime in the country—a task in which the State Government Police are primarily concerned.

The Railways on their side have set up the necessary organisation for high level liaison with the State Government Police by reconstituting the Railway Watch and Ward as the Railway Security Force. Further steps will be taken by Railways by strengthening and developing the organisation in different ways, apart from intensifying several internal measures already taken in hand (described in a subsequent paragraph).

The direction in which the State Governments can help are thus by ensuring

(i) the continued and improving efficiency of Government Railway Police, and

(ii) adequate liaison between the Railway Police on the one hand and the ordinary Civil Police and the Railway Security Forces on the other,

and by displaying readiness to add to the strength of the 'Crimes' division of the G.R.P. where the circumstances warrant such a course.

The public can help

(i) by ensuring better packing of goods;

(ii) by better loading away from door crevices and body holes when this is done by consignors: and

(iii) by the provision of adequate dunnage where it would be an advantage even though the use of dunnage may not be compulsory.

The publicity which is being done to draw the attention of the public to the above will be continued. Public opinion generally against crime in the country also needs to be heightened.

It may be of interest, however, to detail in this context the measures already taken in hand by Railways.

During the year 1953—54 the amount of compensation paid on account of goods lost or stolen on the Indian Railways was to the extent of Rs. 1.88 crores as against the total amount of Rs. 2.89 crores paid on account of all claims. In other words, the Railways are paying for thefts and pilferages approximately 65% of the total amount paid on account of claims for compensation.

The Railways and the Union Government have been fully alive to the growing menace of theft and pilferage.

A detailed enquiry on the subject of railway claims was undertaken by Shri. B.N. Mullik, Director, Intelligence Bureau, at the instance of the Ministry of Home Affairs. He

recommended, among other things, the tightening up of the methods of railway working in certain aspects and of the security arrangements. The recommendations made by Shri Mullik have been examined and necessary instructions have been issued to the Railway Administrations to implement them, wherever practicable. The Ministry of Home Affairs have also asked the State Governments to implement Shri Mullik's recommendations in regard to the Railway Police and State Government Police.

In the last few years Railways have set about substantially reorganising their Watch and Ward Forces now renamed the Railway Security Force.

A retired Inspector General of Police has been appointed as the Inspector General Railway Security Forces and on each railway a Chief Security Officer of the rank of a Deputy Inspector General of Police has been appointed. The security force on each Railway has been substantially reorganised with due emphasis on the selection and training of staff.

Special Railway Protection Police are maintained in States in which the crimes position is particularly bad.

Trains over notorious sections are accorded protection by armed escorts by G. R. P. and Railway Protection Police.

Close liaison is maintained between the Officers of the Railway Security Force, Government Railway Police and State Governments, to bring suspected criminal elements residing in district limits to book and to strengthen surveillance over them and for devising ways and means of preventing thefts and pilferages.

Provision of dunnage of despatches in respect of consignments of sugar and oil seeds has been made compulsory.

Ellis Patent System of locking of wagons conveying valuable commodities is being steadily extended over the broad gauge as also the use of double rivets where possible.

Improved methods of loading foodgrains are adopted.

Q: 21. The following suggestions are made for the consideration of the Committee:

(1) There is a conflict of decisions as to what is meant by the word "loss" appearing in certain Sections of Chapter VII of the Indian Railways Act, recent tendency being to make a distinction between "loss" and "non-delivery".

The word "loss" can connote two different sets of circumstances, quite apart from the cases of destruction, namely instances in which specific theft is known to have occurred as when the wagon or goods shed doors are tampered with, and instances in which non-receipt at the destination is known, but not how exactly the "loss" was caused as in the cases of "seals intact shortages" reported in wagons which may either be theft at the loading point or of misdespatch.

The tendency of the courts has been to confine the protection afforded by the Statute to cases of "loss" to those coming under the first alternative only.

In the very nature of railway working in most cases of "non receipt" at destination it will not be possible to ascertain how exactly the "non-receipt" occurred and it is considered that the framers of the Statute must have intended the word "loss" to have covered all such cases. That apart also, taking into account the actual conditions of working, it is considered only fair to the railways not to adopt the narrower interpretation of the word "loss".

In these circumstances the Statute may be amended so as to make it clear that the word "loss" is used in these provisions (in Sections 72, 73, 74, 74c, 75, 76, 77, 78 etc.,) to cover all cases of non-delivery other than "improper conversion" namely, cross delivery, auction after correct receipt at destination etc.

(2) In Section 75 of the Indian Railways Act, the words "when any articles mentioned in the Second Schedule are contained in any parcel or package delivered to a railway" are used. Courts have recently held that in order to attract the provisions of Section 75, it is necessary that the article specified in the Second Schedule must be "contained in a parcel or package". In other words a naked silver bar will not get the protection afforded by the Section. The Bombay High Court have themselves remarked that it is rather difficult to understand why the legislature should have emphasized the fact that the articles must be contained in a parcel or package before Section 75 would apply.

To meet the situation that has arisen, a rule has recently been provided in the I.R.C.A. Coaching and Goods Tariffs providing that "excepted" articles shall not be accepted for booking unless these are packed in suitable wooden or metallic cases or any other suitable covering material.

As from the view point of railway transportation it is unnecessary that articles like silver bars should be packed before these are accepted for carriage by rail, and also having regard to the observations made by the Bombay High Court, it is suggested that Section 75 of the Indian Railways Act may suitably be amended.

(3) It is suggested also that suitable amendments be made, either to the Railways Act or to the Evidence Act, providing for certified copies of the forwarding notes and entries in standard books and registers used at stations, e.g., Receipt and Delivery Books, Number Taker's Book, Seal Check Book etc., being admitted as evidence without the originals being produced except when either party challenges the correctness of any of the certified copies. The Banker's Book Evidence Act contains a similar provision to the effect that a copy of the entry in the books of the Bank together with a certificate by an officer of the Bank should be received as a *prima facie* evidence of the existence of such entries and shall be admitted as evidence without the necessity of the original book being produced in the Court. If a similar provision is made in respect of forwarding notes and of entries in the books maintained by the Railways in the usual course of business at the stations, it will avoid hold up of railway records in the courts in consequence of which the disposal of other claims connected with these records is at present unnecessarily delayed.

Also the time now spent by the various railway officials who made the entries entering appearance in the distant courts to produce and "prove" these documents will be saved.

PART III.

Q: 1. (a). The basis followed in assigning functions and jurisdiction to the Railway Rates Tribunal, as provided for in the Indian Railways Act, is that while control over the rates structure *as a whole*, which is linked up closely reasonableness of the total railway revenues, has been kept under Parliamentary control, the reasonableness of individual rates or groups of rates within the rate structure has been made justiceable before the Tribunal. And the adoption of this distinction was deliberate.

Railways in this country being State-owned, the need for such a position will at once be appreciated.

Also, any proposal for extending the functions of the Railway Rates Tribunal must be viewed in the light of this basic decision.

Consideration of the question of extending the scope of the functions of the Tribunal has, in the circumstances, to be confined to the several aspects pertaining to undue preference and undue prejudice and to reasonableness of individual rates or groups of rates within the rate structure.

So far as these aspects are concerned the functions of our Tribunal are substantially the same as those of the Transport Tribunal in U. K.

There does not, therefore, seem to be any useful directions in which the functions of our Tribunal can be widened. But certain lacunae and ambiguities in the provisions of the Railway Act, which have a bearing on the jurisdiction of the Tribunal, have come to notice, and these should, it is considered, be removed.

For example, there are no clear provisions in the Indian Railways Act as to the date from which any reduction in rate ordered by the Tribunal should take effect and whether the Tribunal have jurisdiction to order refunds on past transactions and if so covering what period. These points were specifically raised in the Complaint No. 2 of 1952 (Messrs. Engineering Supplies Company, Bombay *versus* Southern and Central Railways), and the Tribunal held (Shri P. V. Subba Row dissenting) that the Tribunal had no jurisdiction to order refunds, but that it could order the introduction of suitable station-to-station rates with effect from the date of filing of the complaint before the Tribunal, while for the period prior to the date of filing, the Tribunal could give a declaration as to what rates they consider would then have been reasonable.

This decision was contested through a Writ Petition before the Madras High Court, who held:

(1) that the Tribunal could not grant a declaration regarding the unreasonableness of any rate in respect of periods before the date of the filing of a complaint;

(2) that, so far as the complainant was concerned, an order of the Tribunal could be made operative from the date of the complaint, but that so far as others were concerned (such as interveners who may have come in later and the others who may not have been parties to the case at all) the order of the Tribunal would only operate from the date of the order; and

(3) that Section 39 of the Indian Railways Act did not confer any power on the Tribunal to make an order for payment of compensation or damages or make an order of refund of over-charges.

Records are not available in the Board's Office to indicate what the intentions of the Government were in these respects when the relevant statutory provisions were framed.

The courts naturally have acted on the literal wording of Statute.

These being quite substantial aspects, it seems preferable to specifically consider what would be in the best interests of the country at large in these respects, and to amend the statutory provisions, if need be, to fit in with what may be decided upon. With this end in view recommendations, on these points, by the Committee will be of considerable help.

Attention is also invited, in this connection, to the ambiguity in certain other provisions of the Act, also pertaining to the jurisdiction of the Tribunal.

The Sections of the Act, which have a bearing on this question are Sections 32, 33, 41 (i) (c) & 42 (2) (a). These Sections are re-produced below for ready reference:

32. "Power of General controlling authority to fix terminal and other charges:- The general controlling authority may, by general or special order, fix the rates of terminal and other charges for the whole or any part of a railway, and prescribe the conditions in which such rates will apply.

33. "Decisions in accordance with this Chapter shall be binding. Any decision given by the (Central Government), the general controlling authority, or the Provincial Government, in accordance with the provisions of this Chapter, shall be final and binding on all parties concerned."

41. "Complaints against a railway administration. (1) Any complaint that a railway administration.....

(c) is levying charges (other than standardised terminal charges) which are unreasonable" may be made to the Tribunal and the Tribunal shall hear and decide any such complaint in accordance with the provisions of this Chapter.

42. "Power to alter rates or reclassify commodities. (2) The Central Government alone shall have power (a) to increase or reduce the level of class rates, schedule rates and terminal and other charges."

It is not clear what jurisdiction exactly is conferred on the Tribunal by Section 41

(1) (c), bearing in mind the expression "other charges" in Sections 32 and 42 (2) (a) and also the finality of the decision of the Central Government prescribed by Section 33.

This question specifically came up before the Railway Rates Tribunal in Complaint No. 7 of 1952, (Indian Paper Mills Association and others *versus* Western Railway and two other railways) and the Tribunal held (Shri L. M. Roy dissenting) that the Tribunal has jurisdiction to exempt any commodity from the operation of the rules regarding the short distance charge for distances less than 75 miles and the minimum charge of Rs. 1/12/- per ton on the ground of unreasonableness.

This matter also was taken up before the Madras High Court by a Writ Petition, and they upheld the decision of the Tribunal.

Attention, in this connection, is invited to the reply to Q: 12 of Part I-A of the Questionnaire, where it has been suggested that it should be made clear in the Statute that the minimum charge of Rs 1/12/- per ton along with the other minima rates are parts of the basic rate structure and hence outside the jurisdiction of the Tribunal.

If this suggestion is accepted the ambiguity in the Act will have to be removed by a suitable amendment to section 41 (i-c).

There is also some ambiguity in regard to the scope of Section 45 of the Indian Railways Act, (reproduced below for ready reference) dealing with bar on the jurisdiction of the Tribunal, in respect of certain matters.

> "***Bar of jurisdiction of the Tribunal.*** Nothing in this Chapter shall confer jurisdiction on the Tribunal in respect of scales of charges levied by a railway administration for the carriage of passengers and their luggage, parcels, military traffic and traffic in railway materials and stores, and demurrage charges, except on a reference made to the Tribunal by the Central Government."

It will be observed that along with other items, Section 45 imposes a bar on the jurisdiction of the Railway Rates Tribunal in regard to "*demurrage charges*" and "*scales of charges*" for parcels traffic.

The intention would appear to be to keep all matters connected with the levy of demurrage charges and all kinds of rates for parcels traffic outside the jurisdiction of the Tribunal.

The Railway Rates Tribunal in their decision on Complaint No. 3 of 1953 (Rohtas Industries Limited *versus* Eastern Railway) have held that "Free time" for the levy of demurrage does not fall within the scope of Section 45 and that the Tribunal have jurisdiction to deal with complaints regarding "Free time". It will be appreciated that "Free time" and "Demurrage charges" are inter-connected and cannot be considered separately. It is, therefore, considered that the present provisions in Section 45 may be amplified to make it clear that "Free time" and any other matters directly connected with "Demurrage charges" are outside the jurisdiction of the Railway Rates Tribunal.

Similarly, in Section 45, since mention is made of only "scales of charges" for parcels traffic, it can be argued that station-to-station rates for parcels traffic are not covered by the provisions of Section 45 and therefore would come within the jurisdiction of the Railway Rates Tribunal. This, however, does not seem to be the intention, and suitable amendment will be necessary in the present provisions of Section 45.

(b) The suggestion that the Railway Rates Tribunal be given the power to initiate investigations in regard to freight rates is not favoured. It may have merit, should the Tribunal have jurisdiction over the Rate Structure where jurisdiction is confined to individual rates or group of rates, however the arrangements where under the aggrieved parties seek redress of their grievances by making a complaint before the Railway Rates Tribunal, as provided for in the Act at present, seems the appropriate course. What needs redress is not a theoretical grievance but one that hurts, and the affected parties are in the best position to know when this happens.

On the general civil side one will not contemplate such a suggestion, and there does not appear to be any factor which would make it more appropriate in regard to railway rating, except, of course, when what is really an *executive* function, that, of control over the rate structure as a whole, is vested with them.

If this suggestion is still given serious consideration, the question will at once arise, whether the Rates Tribunal, as at present statutorily constituted, with persons who have been or are eligible to be judges of the High Court, will be in a position to deal adequately with what would virtually be rate making, as distinct from rate adjudication.

(c) This does not arise in view of the remarks given under Q: 1 (a) above.

Q: 2. Since the establishment of the Railway Rates Tribunal in 1949, no occasion has so far arisen for making such selective increases for increasing revenue as are envisaged in the question. In fact, the number of applications made to the Tribunal for reclassifying commodities in a higher class has been very small, namely 5 only. Also all these applications were made to remove anomalies in the classification, which could not be detected at the time of the last revision of the Rate Structure, and none of these was in respect of any commodity with substantial "revenue significance".

The present classification having been built as a result of years of empirical experience the legislature perhaps desired that to safeguard the interests of trade any selective increases in the classification should be subjected to a thorough and a detailed examination and justified before the Tribunal prior to their introduction.

As pointed out above, since no difficulty has been experienced by the existing statutory provisions referred to above, no change therein is perhaps necessary so far as class rates are concerned.

The case of wagon load scales however calls for special mention in this connection.

The Railway Rates Tribunal have found (Complaint No. 7 of 1952) that these also come within the scope of the expression "classification" and this finding has been confirmed by the High Court of Madras.

The finding, however, is technical and repugnant to the common understanding in railway circles of what is connoted by the expression.

If it is made clear that wagon load scales, including the instances in which class rates are used as wagon load scales, do not come within the scope of Section 42 (1) the position will, it is considered, be adequately met, and a satisfactory compromise effected between the need to protect the interests of the trade on the one hand and that to keep the revenue resources of the railways adequately fluid on the other.

Q: 3. Attention in this connection is invited to the Railway Board's reply to Q: 2 of Part III of the Questionnaire.

The power to reclassify a commodity in a higher class having once been vested in a Judicial body *viz*, the Railway Rates Tribunal, its transfer to the Central Government is likely to be viewed with disfavour, both by the trade and the Parliament, particularly as the existing statutory provisions have not given rise to any serious practical difficulty.

The position is, however, different in the case of wagon load scales as explained in the answer to Q: 2.

Wagon load scales are virtually concessional rates below the maximum or class rates, and are generally introduced to obviate the need for the quotation of a large number of station-to-station rates. Even as the power to enhance station-to-station rates or the minimum weight conditions attached thereto vests in a Railway Administration under Section 46 of the Indian Railways Act, it will also be basically reasonable that the power to enhance wagon load scales or the minimum weight conditions attached thereto should vest in the Central Government. Further, as is indicated in the question itself, protection to the interests of the traders will also not be entirely eliminated, as these enhancements, when notified, can be questioned before the Tribunal, who can, if they deem fit, grant an injunction.

Recently test weighments conducted by railways revealed that the weight conditions attached to the wagon load scales for certain commodities such as Bran, Caustic-soda, Chemical manure etc., could be enhanced. The railways are now engaged in preparing a case for submission to the Tribunal for obtaining their sanction to the proposed enhancement in weight conditions. This will naturally require time and in the meanwhile wagon space is being unnecessarily wasted as the wagons are running with comparatively lighter loads.

In all these circumstances, it is suggested that the power to enhance or cancel wagon load scales or the weight conditions attached thereto be vested in the Central Government, and a specific provision to this effect be incorporated in the Indian Railways Act.

Q: 4. Demands have been made by the trade from time to time for simplification of the procedure for the conduct of cases before the Tribunal so as to make it less legalistic and cumbersome and more practical.

It is considered that there is substantial justification for this demand.

The Inter State Commerce Commission of the U.S.A. have what are called "informal dockets". It would perhaps be as well if a similar system is adopted here. The basic principle is that the Tribunal, on receipt of an informal complaint, bring the parties together in its presence and see if the matter cannot be settled by the better understanding of each other's point that will result. If such a settlement cannot be reached the case can then be transferred to the "formal dockets".

It is understood also that the system of "pre-trial hearing" is in force in America (in regard to formal civil disputes) wherein the parties are brought together in informal conference in the presence of the trying Judge at which the issues requiring the letting in of evidence and argument are narrowed down. The advisability of adopting a similar procedure by our Rates Tribunal may also be examined.

It would further appear that there is also some scope for simplification in regard to the leading in of evidence. In case after case in which wagon load scales have come into question, a Railway Official has had to go into the witness box and testify as to the general considerations on which wagon load scales have been prescribed and has been cross examined at some length. It would be perferable to so revise the rules of procedure as to dispense with the need for recording oral evidence in such cases, the party concerned being permitted fo file a written affidavit covering such matters.

Q: 5. Three statements are attached showing the time taken in the disposal of certain cases by the Railway Rates Tribunal in India, the Railway Rates Tribunal in England and the Inter-State Commerce Commission in America. It will be seen from these statements that on the whole the time taken by our Railway Rates Tribunal in deciding cases is somewhat excessive.

Suggestions for simplifying the rules of procedure, with a view to ensuring expeditious disposal of cases, have already been made, in reply to Q: 4 of Part III of the Questionnaire, which may please be seen.

Time taken by the Railway Rates Tribunal, India to dispose of cases
(Annexure to Answer to Question No. 5)

	Complaint		Date of complaint	Date of judgment	Time taken
1.	Complaint No. 1 of 1950	...	4—10—1950	13— 8—1951	About 10 months.
2.	Complaint No. 1 of 1952	...	4— 1—1952	11— 9—1952	,, 8 ,,
3.	Complaint No. 2 of 1952	...	15— 2—1952	9—10—1953	,, 1 Year and 8 months.
4.	Complaint No. 3 of 1952	...	25— 2—1952	7—11—1952	,, 8 months
5.	Complaint No. 4 of 1952	...	23— 2—1952	7—11—1952	,, 8 months
6.	Complaint No. 5 of 1952	...	March 1952	17— 8—1953	,, 1½ years
7.	Complaint No. 6 of 1952	...	13— 8—1952	29— 1—1954	,, 1½ years
8.	Complaint No. 1 of 1953	...	19— 2—1953	10— 9—1954	,, 1½ years
9.	Complaint No. 1 of 1954	...	17—12—1953	28—10—1954	,, 10 months
10.	Complaint No. 3 of 1954	...	21— 5—1954	30—11—1954	,, 6 months
11.	Complaint No. 4 of 1954	...	15— 5—1954	28—10—1954	,, 5 months

Time taken by the Railway Rates Tribunal, England to dispose of cases.
(Annexure to Answer to Question No. 5.)

	Reference to page No. in Railway and Canal Traffic cases Vol. XXIX	Date of complaint.	Date of judgment.	Time taken.
1.	341	2— 5—1950	22— 9—1950	About 5 months.
2.	327	18— 5—1950	21— 8—1950	,, 3 months.
3.	324	22— 6—1950	25— 8—1950	,, 2 months.
4.	301	31— 1—1950	18— 8—1950	,, 7 months.
5.	291	21— 6—1950	12— 7—1950	,, 1 month
6.	271	6, 7—12—1949	13— 2—1950	,, 2 months
7.	253	3, 4, 18—12—1949, 19— 1—1950	14— 3—1950	,, 3 months
8.	238	20, 21—10—1949	25— 5—1950	,, 7 months
9.	231	25, 26 Oct. 1949	13— 1—1950	,, 2½ months
10.	214	28— 9—1949	16—12—1949	,, 3 months
11.	204	11, 12, 13, 14, Oct. 1949	13—12—1949	,, 2 months
12.	186	24— 5—1949	17— 6—1949	,, 1 month

Time taken by the Inter-State Commerce Commission, America to dispose of cases.
(Annexure to Answer to Question No. 5)

	Reference to case No. reported in Vol. 284	Date of complaint	Date of judgment	Time taken
1.	30635	7— 1—1952	18— 4—1952	About 3½ months
2.	30796	24— 3—1952	8— 5—1952	,, 1½ months
3.	30768	14— 1—1952	23— 4—1952	,, 3½ months
4.	30794	14— 2—1952	28— 4—1952	,, 2½ months
5.	5929	5— 9—1951	24— 4—1952	,, 7½ months
6.	30813	4— 2—1952	22— 4—1952	,, 2½ months
7.	26169	29— 1—1952	29— 4—1952	,, 3 months
8.	30406	10— 3—1952	1— 5—1952	,, 2 months
9.	30805	17— 1—1952	23— 4—1952	,, 3 months
10.	16500	30— 4—1951	21— 4—1952	,, 12 months
11.	30636	23— 8—1951	15— 4—1952	,, 8 months
12.	30422	19—11—1951	13— 2—1952	,, 3 months

Q: 6. Strictly as per the list of cost prescribed by the Tribunal, a case should not cost more than about Rs. 2,000. The main item of expenditure is the issue of public notices in newspapers, which is required under the rules. The initiation fee is only Rs. 100/- per case and the lawyer's fees for the award of costs have been fixed at Rs. 100/- per day. The parties need not necessarily be represented by lawyers and can appear and argue either themselves, or through any representative.

Also, provision exists for the award of cost by the Tribunal to the winning party.

The expenses to the complainants, however, do go up to Rs. 10,000/- to 20,000/- per case; but this is largely on account of the parties concerned engaging the best legal talent for presenting their case and the high fees charged by such lawyers.

The cases referred to the Tribunal being generally of complicated nature, having very wide financial implications, it is inevitable that the parties will seek the best legal assistance available, and the remedy, to the extent feasible, therefore lies in simplifying the procedure and shortening the duration of hearings, as has been suggested in the answer to Q: 4.

Q: 8. Under Section 34 of the Indian Railways Act, our Railway Rates Tribunal consists of a President and two other members, who have to be drawn from amongst persons who have been or are qualified for appointment as Judges of a High Court.

As against this the British Transport Tribunal in England consists of three permanent members of which one is a person experienced in commercial matters, the second experienced in the railway business and the President is an experienced lawyer.

In the U. S. A. the qualifications for members of the Inter-State Commerce Commission have not been statutorily prescribed and as far as is known here few of them have been lawyers or judges.

The view has been expressed in certain quarters that our Railway Rates Tribunal, as at present constituted, has an overwhelming legal bias and that if it were constituted on the lines of the British Transport Tribunal, its approach would be more practical, its rules of procedure less rigid and its decisions more expeditious and embodying practical justice.

The desirability of constituting our Railway Rates Tribunal on the lines of the British Transport Tribunal would thus appear to merit serious consideration.

Q: 9. The practical experience of the working of our Railway Rates Tribunal does not indicate any need for either an increase or a reduction in the number of its members.

Q: 10 (a & b). The Railway Rates Tribunal would be in the best position to say whether the assessors serve the purpose for which they are associated with the Tribunal and make any useful contribution in the decisions of the Tribunal.

Theoretically the association of assessors with the Tribunal should prove useful, as these persons represent the live interests of both the railways and of the trade and industry. In practice, however, this advantage does not appear to have followed. On the other hand, the statutory obligation to associate assessors with each and every case has in some instances been instrumental in delaying the expeditious disposal of cases, owing, for instances to the inability of assessors chosen for a particular case to be able to attend at the prescribed time to participate in its proceedings, and the consequent need for nomination of fresh asesssors if the case has not started or of postponing it if it has started and the particular assessor has heard part of the case.

In all the circumstances, it is perhaps, best that while the present system of formation of panels of assessors is continued, the Tribunal is given the discretion to associate or not associate assessors with particular cases depending on their nature, as has been prescribed in U K. in respect of cases before the British Transport Tribunal.

Q: 11. Attention is invited to the reply to Q: No. 1 of Part III of the questionnaire, in which it has been submitted that no change in the basic arrangement now prescribed is called for, whereunder the control over the Rates Structure as a whole and of the reasonableness of the total railway revenues has been deliberately kept under the Parliament, while questions pertaining to individual rates or groups of rates have been made justiceable before the Railway Rates Tribunal.

Q: 12. The fact that railways are now entirely government undertakings, functioning under parliamentary control, does not, by itself lead to the conclusion that there is no need for a judicial body like the Railway Rates Tribunal to adjudicate on disputes regarding freight rates. This will at once be clear, if the distinction is kept in mind, between the rate structure and the total railway revenues the control over which is retained by parliament on the one hand, and on the other, the individual rates or groups of rates which are justiceable before the Rates Tribunal as resulting in undue preference or as being *per se* unreasonable.

The Traffic Commission furnishes no real analogy, inasmuch as the functions of the Commission is to investigate facts and to make recommendations for the basic action by the executive. These functions are, at present, assigned to the Rates Branches of Railways in the case of station-to-station rates and the Railway Board in the case of the Rates Structure.

The Railway Rates Tribunal was only recently set-up in 1949 in deference to the public demand for a judicial body to adjudicate in disputes regarding freight rates, instead of having an advisory body like the previous Railway Rates Advisory Committee. The replacement of the present Tribunal by another advisory body would, in the circumstances, therefore, be open to severe public criticism and regard as a retrograde step.

From the point of view of the railways as well the existence of the independent Railway Rates Tribunal is to be desired, as it provides the most effective answer to the generally prevalent, but very ill—informed criticisms, of the rating policies of railways.

Railway Rates Tribunal,

Madras.

PART III.

Q: 1. The jurisdiction of the Tribunal has necessarily to be extended at certain points in order that the exercise of its existing jurisdiction may be complete and effective.

In its judgment dated 20th September, 1954, in W. P. Nos. 961 and 1007/1953, the Madras High Court said that, where the Tribunal finds an existing rate unreasonable and orders the introduction of a lower rate, the Tribunal might order the revised rate to take effect from the date of the complaint. If that is done, the difference between the aggregate of the sums levied on the relevent traffic and the aggregate of the sums leviable under the terms of the Tribunal's order, from the date of the complaint to the date of order, would become an overcharge liable to be refunded to the complainant. But the High Court held that the Tribunal does not have power to make an order for refund of overcharges. In a case where the respondent is a State Railway, the State may be expected, in the performance of its obligation under Section 39 of the Indian Railways Act, to give complete effect to the Tribunal's order and make a refund although there is no express order for refund. But, even in such a case, disputes may arise between the complainant and the Railway regarding the precise sum refundable. Such disputes may be due in part to honest differences of opinion on questions of interpretation of the Tribunal's order. One such case arose in Miscellaneous Application No. 2 of 1954 in relation to the enforcement of the order passed by the Tribunal in Complaint No. 2 of 1952. It was fortunate that the Tribunal was able to device means of having its order given effect to without resort to a Civil Court. Otherwise, complications of various kinds might have ensued. One cannot be certain that difficulties, not so easily insurmountable, may not arise on questions of refund of charges which become overcharges by reason of an order made by the Tribunal. It is, therefore, necessary to vest in the Tribunal, jurisdiction in proper cases, to pass orders for refund.

In the judgment cited above, the Madras High Court also held that the Tribunal does not have jurisdiction to pass any order relating to rates or events antecedent to the date of the complaint. It sometimes happens that a wrong done to a party in the matter of rates or by way of undue prejudice or denial of facilities, ceases before the party could file a complaint. In such a case, the party is left wholly without remedy for the injustice done to him. A trader in Madras may be allowed a rate for the transport of a particular commodity from Nagpur, which is denied to a trader in Bombay, although the circumstances of both the traders are identical in relation to rates. The trader in Bombay approaches the Railway Administration and is denied relief. Let us suppose that state of affairs continues for a year. The trader in Bombay prepares a complaint for being filed before the Tribunal. At that stage, the preferential rate to Madras is cancelled. The Bombay trader is left without a remedy. It seems necessary to provide for compensation or refund of overcharge being awarded to the Bombay trader in a case of that kind. The illustration given above is not wholly imaginary because cases more or less akin have come to the Tribunal's notice. In his judgment in Complaint No. 3 of 1952, the President of the Tribunal said: "When the complaint was filed, the applicant has a good reason to ask for the relief claimed and undoubtedly there did exist a discrimination which offended against Section 28 of the Indian Railways Act, 1890 But that ground was removed during the pendency of the proceedings....." In the same case, Shri P. V. Subba Rao (Member), observed: "There have been cases before this Tribunal where after the institution of a complaint, the Railway executives have been adopting the practice of removing the cause for the complaint of discrimination under Section 28 of the Indian Railways Act, 1890, by the process of what is called levelling up, by withdrawing the concessional rates in force in certain sectors of their lines.....". In any such case, the Tribunal should have jurisdiction to order what the reasonable rate should have been until the date on which the right to complain ceased. There should, of course, be a limit regarding the period of time prior to the date of the complaint, for which damages or compensation could be claimed. We would suggest a limit of a year before the date of the complaint.

Jurisdiction to award compensation for violations of duty which had occurred prior to the date of the complaint would have another great advantage, Section 41 (i-a) of the Act gives the Tribunal jurisdiction in relation to contravention of the provisions of Section 28, viz., provisions against undue preference; but since, under the language used, an undue preference granted in the past cannot form the subject matter of a complaint, the only kind of preference in regard to which relief could be claimed is preference as to existing rates or charges. But Section 28 is not, by any means, restricted to rates and charges. Undue preference of which traders complain most bitterly is undue preference in the matter of allotment of wagons and provision of facilities. The Railway Corruption Enquiry Committee noted that, without bribery, it seemed difficult to get railway servants to fulfil their obligations under Sections 27 and 28 of the Act. But such wrongs become past events as soon as they are comitted. Over past events, the Tribunal has no jurisdiction. The result is that for the larger part of violations of Section 28 lies outside the purview of the Tribunal, notwithstanding Section 41 (1)(a). If traders, who are prejudiced by undue preference shown by railway servants or administrations in the matter of the allot-

ment of wagons or the provision of facilities, could complain to the Tribunal, the possibility of such complaints being filed and substantiated, might itself act as a check on any tendency to corruption in that particular field. It is, in our opinion, necessary: (1) to amend Section 41 so as to make complaints cognisable in relation to past events not anterior to a year before the date of the complaint and (2) to add Section 27 to Section 28 in Section 41 (1) (a).

In regard to the scope of Section 28, we consider a statutory amendment desirable. Section 28 substantially reproduces Section 2 of the Railway and Canal Traffic Act, 1854, of England, and Section 3 of the Interstate Commerce Act of the United States. In interpreting Section 28, the President of the Tribunal said in his judgment in Complaint No. 1 of 1953: "An essential element in a complaint of undue prejudice or undue preference is for the complainant to establish that there is competition of interest between the trade it represents and those to whom preference is alleged". That view adopts the interpretation placed by courts in England and the United States on the corresponding provisions of their Statutes. But, in England, we have Section 90 of the Railway Clauses Consolidation Act, 1945 and, in the United States, Section 2 of the Interstate Commerce Act. They widen somewhat the obligations of Railways beyond the limits of more prohibition against undue preference. (No account is taken here of the changes in the law introduced by the (British) Transport Act, 1953). The circumstances of our country require, we think, that a person should be enabled to complain of undue perference even where he cannot show any competition in interest between himself and the trader alleged to be preferred. It is possible to frame a rate schedule or to grant concessions in rates or facilities so as to favour the industrialisation or development of one part of the country while another part is left in the cold. Cotton Mills in Travancore may be granted rates or facilities which are denied to cotton mills in Himachal Pradesh. The mills in Himachal Pradesh may buy their cotton from places different from those where the Travancore Mills buy their cotton from and the products of the Himachal Pradesh Mills may be sold in markets which are beyond the reach of the products of the Travancore Mills. There might, therefore, be no competition of interest between the mills in Himachal Pradesh and the mills in Travancore, but yet, unless other justifying circumstances are proved, Himachal Pradesh should be held entitled to the same rate and facilities as are allowed to Travancore. We therefore think it necessary to add a clause to Section 28 or to Section 41 (2) asking it clear that relationship of competition is not necessary for a trader to make out undue preference.

The suggestions made so far do not materially affect the basic pattern of the Tribunal's jurisdiction as laid down in the Act. We consider basic additions also necessary.

The position of the railways at present in India is more or less what the position of the railways was in England immediately after the enactment of the (British) Transport Act of 1947. The railways came under the ownership and control of the State and were in a position to dictate the terms on which they would convey merchandise. In those circumstances, it was considered necessary in England to vest in the Transport Tribunal power to deal with every question relating to the classification of merchandise and rates, charges and conditions for their conveyance, as well as questions relating to quality of charges and undue preference. We consider that, on the Tribunal in India too, powers should be conferred in terms as wide as those concerned on the Tribunal in England. The fact that the Railways are Government undertakings functioning under Parliamentary control does not seem to us to furnish an argument to the contrary. When the police and the magistracy and all subjects relating to law and order came under the control of provincial legislatures and Indian ministers under the Government of India Act, 1935, some distinguished Indians said that there was no need thereafter to take steps to separate the judiciary from the executive, because the popular ministers and legislatures could be trusted to ensure that judicial functions were exercised fairly, justly and impartially by magistrates who formed part of the Executives. In order to prevent arguments of that kind from being advanced in the future, the Constitution expressly said in Art. 50 that the State should take steps to separate the Judiciary from the Executive in the public services of the State. The case for a Railway Rates Tribunal, notwithstanding public ownership of railways, rests on analogous principles. For a long time yet, private capital and enterprise would have to be called upon to fulfil the country's needs in the matter of trade, commerce and industry. At the same time, the State is committed to playing an increasing part in the country's economic affairs. Transport is vital to the country's economy, and the public and private sectors in industry and trade might find themselves in competition for the limited service which alone public transport is at present able to afford. Further India will, for all times, be a union of separate states which differ from one another in their natural resources and possibilities of industrial development. It is not practicable to export every part of the country to carry the same influence in the making of administrative decisions at the Centre. We have constantly to keep in mind too, the fact that the person or body of persons who have the authority to determine rates and rate relationship would, in the existing circumstances of our country, have it in their power to say which industry shall flourish and which part of the country shall prosper. On the question of state ownership *versus* private ownership, Mr. Peter G. Masefield, who was then the Chief Executive of British European Airways said, in the course of his Presidential address to the Institute of Transport last year: "State ownership has, however, one big advantage—it avoids the exploitation of the business solely for private gain as does sometimes happened. On the other hand, some State-owned business have suffered from excessive, non-commercial, political interference." (Please see page 15 of the issue of "Modern Transport", dated 5—11—1955). We have to safeguard our

railway administrations from a suspicion that any decision of theirs is influenced by any consideration other than considerations that are strictly commercial and national. The Tribunal furnishes on that matter as effective a safeguard as any that can be contrived.

The Railway Freight Structure Enquiry Committee will, if we may say so with respect, formulate principles for the guidance of rate making authorities. In accordance with those principles, approved or modified by Parliament, the Central Government or Railway Administrations will frame revised schemes of charges. It is possible that sections of trade and industry may feel that the principles laid down by Parliament have not been fully or effectively carried out in the charge schemes framed by the Railway Administration or sections of trade and industry may feel that they could offer alternative schemes which would carry out the principles approved by Parliament in a more satisfactory way than the schemes framed by the Central Government or the Railway Administrations, hear any objections that may be raised thereto by trade and industry, consider any alternative schemes that may be submitted by trade and industry, and pass final orders giving reasons for conclusions. Orders passed as a result of such general enquiries may leave the door open for further consideration of individual cases affecting particular territories or commodities.

It does not seem desirable to vest in the Tribunal power to initiate investigation in regard to freight rates, subject to this exception, *viz.*, that if any rate or charge notified by a Railway Administration appear to contravene any provision of the Act or any order passed by the Tribunal, the Tribunal should have power to act *suo moto*.

All questions relating to passengers and luggage may be kept outside the Tribunal's cognisance, except that, if the Central Government requires the Tribunal's decision on any such question, the Tribunal may hear and decide such question.

Our recommendation is that, in regard to merchandise and parcels carried by railway, the powers and functions of the Tribunal should be the same as the powers and functions of the Transport Tribunal in England under the (British) Transport Act, 1947.

Q: 2. It would not be right for the Government to single out one commodity among the commodities placed in a certain class and raise the rate on that commodity alone for the purpose of raising additional revenue. Only those commodities are grouped in a class which possess the same transportation characteristics and whose contribution, per unit, should bear the same proportion to the total revenues. If commodities A, B, C, D and E are in one class and commodities P, Q, R, S, and T are in a higher class, commodity 'B' may be lifted to higher class only on the ground that its classification in the lower class is wrong and that, with reference to its transportation characteristics (in which expression is included its market value as well as its social and economic value), it should take rank not with commodities A, C, D and E but with commodities P, Q, R, S, and T. For raising a commodity to a higher class, sanction of the Tribunal should continue to be necessary.

Q: 3. Five applications were filed before the Tribunal for reclassifying a commodity in a higher class. Of them three were allowed, one was rejected and one was withdrawn. The facts that one application was dismissed and that, in the light of further facts disclosed in the enquiry before Tribunal, the Government themselves withdrew another application seem to show the need for the retention of the provision for obtaining the Tribunal's approval before classification is altered to the prejudice of traders.

Q: 4 to 6. Proceedings before the Railway Rates Advisory Committee commenced with a reference to the Committee by the Central Government. Proceedings before the Railway Rates Tribunal commenced with a complaint by a trader and the answer of the Railway Administration. In other respects, the Railway Rates Tribunal has adopted the procedure which was being followed by the Railway Rates Advisory Committee. The result of experience is that the procedure may be simplified and thereby time and expenses saved.

Appendix 'A' gives figures regarding duration of regular cases, miscellaneous cases and appeals. It should not take more than six months for the disposal of applications arising out of a dicision made in regular case or for the disposal on an appeal. Judged by that standard, there has been delay in obtaining decisions. We propose to modify the procedure for enquiries so as to curtail delay and reduce expenditure.

At present, every witness is heard orally before the Tribunal and the depositions are recorded in the form of questions and the answers. Even where a witness is examined merely to file tables or extracts from public records, his evidence is recorded orally and if he brings with him any statement, the other side has usually to be allowed some time to inspect the accounts and records with reference to which the statements are prepared, and to decide whether he should be cross-examined. It is seen in actual practice that, in the decisions of cases before this Tribunal, very often, little turns on the appreciation of oral evidence. This evidence consists, for the most part, of statistical and economic data. We propose to take steps to have the rules of procedure revised so as to have evidence received in written form with just one final hearing at which ordinarily advocates will appear.

Q: 7. The Railways have the advantage of having officers who deal with rate schedules and rating problems as part of their day's work and who, for that purpose, have made a study of the economics, and the law, of transport. Occasionlly an officer emerges who, in addition to experience and knowledge in the subject involved, has forensic ability. But the Railways themselves cannot always be sure of having an officer so equipped and gifted. The traders cannot be expected to have in their employ officers with the requisite training and ability to conduct cases before the Tribunal. A person who conducts a case before the Tribunal must have the ability to study the

precedents furnished by relevant decisions in the United States, England and our country, assemble and present facts in the form best suited for the application of the legal principles involved and then persuade the Tribunal to apply the principles to the facts in the manner best suited to advance his client's cause. Equipment and ability of that kind is, for complainants who appear before the Tribunal, seldom found outside the legal profession. Parties will, therefore, continue to employ lawyers of the front rank. The only thing that we can do to minimise expenditure is to reduce to the minimum the occasions when a lawyer's appearance becomes necessary and desirable.

Q: 8 & 9. We offer no remarks on these questions. There is a connected subject, however, on which we should like to say a word. This is an All India Tribunal. Since it has its headquarters at Madras, it becomes subject to the Jurisdiction of the Madras High Court under Art. 226 and Art. 227 of the Constitution. But the decisions given by the Madras High Court are subject to correction by the Supreme Court. As the activities of the Union increase in the economic sphere, an increasing number of administrative Tribunals having jurisdiction over the entire country would probably be found necessary. In regard to such All India Tribunals, it seems appropriate that exclusive jurisdiction in the matter of appeals and supervision should be vested in the Supreme Court. The question involves amendment of the Constitution and may be considered.

Q: 10. Appendix 'B' gives a summary of the opinions of the assessors and the decisions of the Tribunal in cases heard with the aid of assessors. There has been no case where an assessor chosen has been objected to by the parties concerned. Assessors do not take any part in the discussions of the Tribunal before a decision is arrived at. The practice has been for the assessors to give their opinions immediately on the conclusion of arguments and for the Tribunal to reserve judgment. The advice of the assessors has been of very little assistance to the Tribunal.

Q: 11 & 12. The total number of complaints filed before the Tribunal is 22. Of them one is pending. Of the others, relief was granted by the Tribunal to the parties in 9 cases. Six cases were dismissed and 6 cases were withdrawn. In regard to one of the cases that was withdrawn, viz., Complaint No. 3 of 1951 filed by the Indian Hemp Association, it was proved in a subsequent case that the President of the Association withdrew the complaint because the Railways themselves granted to the Association the substance of the relief which they had prayed for. The parties who obtained relief either as a result of the judgment or as a result of compromise had in every case been denied such relief by the Railway Administrations concerned. Quite as important as the granting of relief in individual cases is the formulation and discussion of rating principles in the judgments which the Tribunal hands down.

The existence of the Tribunal does not seem to us to detract to any extent or in any manner from the function and responsibility of Parliament. The Central Government and the Tribunal would be bound to carry out policies laid down by Parliament in the matter of rates, charges and conditions of conveyance. The Tribunal would have to so decide cases as to achieve the targets, if any, fixed by Parliament in regard to revenue and carry out the policies, if any, declared by Parliament in the matter of the encouragement of any particular industry or the development of any particular territory or the promotion of any specified objective. Even in regard to rates or specific preferences, Parliament may, either by statute or by statutory rules, fix the terms and conditions which the Central Government and the Tribunal would be bound to honour.

The Tariff Commission furnishes no real analogy, because the function of the Commission is to investigate facts and to make recommendations for action. The Tribunal's function, on the other hand, is to ensure the execution of policies declared by Parliament.

OPINION OF THE ASSESSORS AND THE DECISIONS OF TME TRIBUNAL IN CASES HEARD WITH AID OF ASSESSORS.

Case No.	Opinion of Trade Assessors	Opinion of Railway Assessors	Decision of Tribunal.
1950			
Complaint No. 1/50	For	For	For
Application No. 1/50	Against	Against	Against
,, ,, 2/50	For	For	For
1951			
Complaint No. 1/51	1 Against, 1 for	Against	Against
,, 2/51	Withdrawn		
Application No. 1/51	,,		
Complaint No. 3/52	,,		

Case No.	Opinion of Trade Assessors	Opinion of Railway Assessors	Decision of Tribunal
1952			
Complaint No. 1/52	For	For	Against
Misc. Appn. No. 1/52 (Comp. 1/51) ...		No Assessors	
Application No. 1/52	Against	Against	For
Complaint No. 2/52	For	Againt	For
		Against (in part)	Against (in part)
,, 3/52	Against	Against	Against
,, 4/52	For	For	For
,, 5/52	For	Against	For (in part)
,, 6/52	For	For (in part)	For
,, 7/52	For	1 For,	
,,		1 Against,	For (in part)
,, 8/52	Withdrawn		
1953			
,, 1/53	For	Against	Against (in part)
,, 2/53	Withdrawn		
,, 3/53	Against (in part)	Against (in part)	For (in part)
Misc. Appn. 1/53 (Comp. 2/52)	...	...	...
,, 2/53 ,, ...	...	...	...
,, 3/53 ,, ...	...	...	...
1954			
Complaint No. 1/54	For	For	Against
,, 2/54	Against	Against	For
Misc. Appn. 1/54 (Comp. 7/52)... ...	...	...	...
Application No. 1/54	For	For	For
Complaint No. 3/54	For	Against	For
,, 4/54	Against	Against	For
,, 5/54	For (in part)	For (in part)	For (in part)
,, 6/54	Withdrawn		
Appeal No. 1/54 (Comp. 3/53)		No Assessors	
Misc. Appn. 2/54 (Comp. 2/52)		No Assessors.	

Figures Regarding Duration of Regular Cases, Miscellaneous Cases and Appeals.

Disposal year	Complaints		Applications		Misc. Applications		Appeals	
	No.	Average Pendency	No.	Average Pendency	No.	Average Pendency	No.	Average Pendency
		Days		Days		Days		Days
1951	4	223	2	186	...	...	...	...
1952	3	253	2	368	1	36	...	...
1953	5	337	...	...	3	...	...	...
1954	6	354	1	129	1	...	...	...
1955	3	278	...	...	1	139	1	124

Burdwan Katwa Railway Co. Ltd.,

Calcutta.

PART I-A

Q: 1 (a, b & c) & 2. These mainly relate to trunk lines. So far as our N. G. Railways are concerned although we have adopted the revised class and wagon scale rates, freight is charged on separate mileage subject to separate minimum, only the first leg of the telescopic scale being applicable.

No long distance traffic is usually carried over our lines.

We have had no call for a change in the existing freight structure so far and traffic has improved.

Q: 3. No remarks against existing rates.

Q: 4. No remarks to offer.

Q: 5. Freight is charged over these railways on separate mileage subject to separate minimum, the first leg of the telescopic scale being applicable. The short distance charge, which is separately leviable over these railways, safeguards the interests on account of short hauls.

Q: 6. No remakrs to offer.

Q: 7. No.

Q: 8. No tank wagons over these Railways.

Q: 9. We have no objection to the existing method of classification of goods by grouping.

Q: 10. We have no remarks to offer against the existing classification of goods.

Q: 11. No remarks to offer.

Q: 12. No revision is called for.

Q: 13. (a & b). No suggestion to offer.

Q: 14. The minimum weight for goods should be 20 maunds and those below that should be charged as parcels.

Q: 15. No remarks to offer.

Q: 16 (i) This may have adverse effect on smal traders.

(ii) No suggestion to offer.

(iii) No reduction sggested.

Q: 16 (A) The minimum weight condition should be fixed according to the quantity that can be loaded in an average type of a wagon of each gauge subject to the proviso that the weight fetches a fair freight for exclusive use of the wagon.

Q: 17 to 20. No remarks to offer.

Q: 21 (a, b & c). Any such change will seriously tell upon the earnings because mostly short distance traffic are dealt with by these railways.

Q: 22. Unless there is unhealthy competition charges by railways are less.

Q: 23. No comments to offer.

Q: 24. No jute traffic over these railways.

Q: 25&26. No remarks to offer.

Q: 27&28. No such requests received.

The persent short distance charge as prevalent over these railways need not be disturbed.

Q: 29. No complaints received so far as these railways are concerned.

Q: 30&31. No comments to offer.

Q: 32&33. No remarks to offer.

Q: 34. The opening of new lines may be considered in under-developed areas even if charges may have to be recovered on the bases of inflated mileage for a limited period.

Q: 35&40. No fixed principle can be adhered to. *Status quo* may be maintained at present and rates modified according to the circumstances warranting from time to time to keep pace with rapid industrialisation.

Q: 36. No remarks to offer.

Q: 37. Yes, as far as practicable, safeguarding the interest of small railways.

Q: 38 & 39. No remarks against item 38 above.

Q: 41, 48. 45 & 50. No remarks to offer.

Q: 42. Volume of traffic increased to some extent on these railways.

Q: 44. prices quoted according to the circumstances.

Q: 46. Rice and paddy; production of which is likely to be stepped up.

Q: 47. Small quantities are locally sold by the Agriculturists and middlemen despatch them to places offering attractive prices.

Q: 48. None as yet.

Q: 49, 51 & 53. No remarks to offer.

Q: 54 (a). Freight structures should be so based that all possible fillip is given to rapid industrialisation commensurate with the increase in Railway earnings to cope with the increased expenditure. Small scale industries should have some safeguards without detriment to the earnings of small railways.

Q: 55. No suggestion to offer.

PART I-B.

The quantities concerned as moved over these Light Railways are meagre, details of which would not be of much help to the Committee.

PART II.

Q: 1. (a) Coal, stone, metal, oil cake, k.oil and manures are generally booked at O.R. and others at R.R. rates.

(b) & (c). Nil, so far as these railways are concerned.

Q: 2 & 3. No private insurance is resorted to.

Q: 4 to 6. Compensation claims on local consignments mainly rice and paddy etc. are very few and far between and there has been no substantial increase of the same after the last war. In through inward traffic of some commodities viz. tea, stationary, oil cake, etc. there has been increase in compensation claims after the last war due to various causes ocourring on the connected trunk lines such as misdespatch, pilferage, deterioration due to delay in transit, leakage and damage due to wet, etc. Compensation claims due to fall in prices owing to delay in transit are very few.

Q: 7. On these Light Railways payments are made to the parties on the trunk lines accepting liabilities and the amounts paid are realised through bills, as such, the figures of claims preferred and paid will be included in the figures submitted by the trunk lines *viz.*, Eastern and South Eastern Railways mainly in case of these Railways.

In comparison with the claims paid, repudiation is far less and is resorted to mainly on consignments booked at O.R. and of fragile nature, liquid substances, etc. where packing condition is not 'combined with' and no misconduct or negligence on the part of the Railway can be proved.

Q: 7 (a), (b) No appreciable benefit is discernible as having been derived by the trading public so far these railways are concerned.

Q: 8. Where O. R. rates are in force for smalls only such rates should also be quoted for wagon loads.

Q: 9. This can be suitably dealt with on representation from the trade as to how it is affected.

Q: 10&13. No.

Q: 14. No change is called for at present.

Q: 15 & 16. When any difficulties arise they should be met by suitable modification.

Q: 17. No comments.

Q: 18. No change is desirable at present.

Q: 19. Stricter suppervision would help a lot.

Q: 20. No forecast is possible at this stage.

Q: 21. Acceptance of genuine inter railway claim irrespective of formal technicalities and speedier settlement would appear desirable.

PART III.

GENERAL.

We consider that the power of classification of commodities and fixation of rates should rest with the Central Government (Railway Board) and an Advisory Committee may be attached to assist it in their deliberations and adjudication of disputes between railways and the trade.

सत्यमेव जयते

Central Railway,

Bombay.

PART I-A.

Q. 27. The list is enclosed as Appendix 'A'. There were 3 cases during the 3 years ending 1954-55. In only one case. *viz.*, regarding movement of limestone from Kailaras siding and Semai siding to Bamourgaon siding, the Associated Cement Co., Ltd., asked for the waival of the charge. The request was turned down since there were no prospects of securing additional traffic nor had the party proved that the traffic could not bear the tariff rate. In the other two cases, the waival of the short distance charge was taken up by the Railway. In one case it was to equate the rate to combat road competition and in the second case the traffic was unable to bear the full tariff rate so that the rates quoted were equal to the tariff rate plus full terminals, foregoing the short distance charge.

APPENDIX 'A'

PARTICULARS OF SPECIAL RATES THAT HAVE BEEN QUOTED WAIVING THE SHORT DISTANCE CHARGE.

Commodity.	Station From	Station To	Spl. rate per Md. Rs. a. p.	Condition.	Remarks.
Lime and Lime-stone for Lime-stone only. (C.636-R-3/30)	Jukehi	Katni Murwara	0 1 6	OR, CC. L.	To combat road competition which was gradually becoming perceptible on the section and also to foster the movement of traffic lying dormant in order to secure additional net revenue. Maximum reduction permissible was allowed in the WL/C scale (Plus full terminals only). The short distance charge was waived in order to equate the rate to road charges.
Coal ashes, (C. 636-R-3|32)	Dhond	Poona Kirkee Chinchwad	0 2 5 0 2 6 0 2 8	OR, CC. L.	Consequent on the fall in prices of coal ashes the party had applied for special rates from Dhond to Poona, Kirkee, Chinchwad, Lasalgoan, Dehu Road and Lonavla, without which traffic could not move. On enquiry it was found that the stock was accumulating and this was a nuisance to the Loco Department. As the traffic was unable to bear full tariff rates and it was to move in the directions of flow of empties, special rates were quoted only to Poona, Kirkee and Chinchwad. No reduced rate was quoted to other stations as the traffic prospects were not bright. The rates quoted are equal to the tariff rate plus full terminals only. S/D charge has been waived entirely.

PARTICULARS OF SPECIAL RATES WHEREIN REQUEST FOR A WAIVAL OF SHORT DISTANCE CHARGE WAS NOT ACCEDED TO

Limestone	Kailaras siding Semai siding	Bamourgaon siding	0 2 6 0 2 8	OR, CC, L.	Upto 31—1—'50 special rates of Re. 0-2-0 and Re. 0-2-2 per maund were in force for this traffic, which were equal to the WL/C scale plus full terminals but without short distance charge. From 1—2—'50 a reduction of three pies was made on these rates in response to the recommendations of Madhya Bharat Government. These rates were based on actual operating cost. From 1—10—'50 consequent on the adoption of the final revised rates structure by the ex-Sc S. Railway the rates were raised to the full tariff level i.e., WL/C plus full terminals and short distance charge. These rates stood at Re. 0-2-6 and Re. 0-2-8 per maund respectively. Again from 1—4—'51 special rates of Re. 0-2-4 and Re. 0-2-6 were quoted, initiated by the Board and on a representation from A.C.C. Ltd., Again these were brought to the existing level of Re. 0-2-6 and Re. 0-2-8 from 1—4—'54. These rates are arrived at the WL/C tariff level but calculated on the additional distance of one mile at each end to cover the distance over the sidings, with the approval of the Railway Board. In calculating the rates the usual siding charges are not levied on this traffic. Party's request for waival of short distance charge in this case was not acceded to as there are no prospects of securing additional traffic and the party did not prove that this traffic cannot bear the tariff rate.

Q: 28. A statement is enclosed as Appendix "B" giving the information required. Since 1948, 260 requests where received, of which there was justification to quote special rates only in 32 cases.

Since 1948, special rates are to be quoted only with reference to additional revenue accruing to the railways as a result of such quotation. In the cases in which the requests were not granted, it was found that there would not be appreciable increase in the traffic resulting in increased earnings by the quotation of special rates.

APPENDIX 'B'.

CASES IN WHICH SPECIAL RATES HAVE NOT BEEN GRANTED.

Nature of request and date				Decision and reasons therefor
Commodity	From	To	Date of Application	
1	2	3	4	5
Grain and pulses	Gonda	Madras	17— 4—48	Request on the analogy of the special rate for traffic to Tuticorin. Anomaly removed by cancellation of special rate concerned and party advised accordingly.
Jowar.	Morena	.....	10— 3—48	Requested that Jowar should be charged at C/H schedule as charges as special class C for Jowar are higher than the charges for grain and pulses at C/H schedule. Party advised that with effect from 15—4—'48 both those commodities are charged alike at W/LA schedule.
Oil seeds & G. N. seeds.	Bhusaval Chalisgaon etc.	Bassein Road	21— 8—48	Complained that as railway rates were very high, they would resort to getting traffic from Kathiawar *via* Bombay by sea at cheaper rates. The request was regretted.
Sand.	Shankargarh Bargarh and Lohgarh	Bally & Sodepur	16— 2—48	M/s. Bengal Glass Manufacturer's Association, Calcutta requested for special rates as their business was slack. Request regretted as no justification existed.
Sand.	Jesra and Iradatganj	Sodepur	28— 1—48	Party's request for special rates was regretted as no justification existed.
Sand.	Bargarh, Sankargarh and Lohgarh.	Kandhra	9— 5—48	The shortest route for this traffic was via Naini and Gomoh and as the lead via Naini was short, we regretted to give any reduction so far as traffic up to Naini was concerned.
Tanning bark.	Pachora, Manmad Lasalgaon etc.,	Bombay	8—11—48	The party requested to re-introduce the rates that were cancelled. As traffic could bear the tariff rates, the request was regretted.
Matchwood	Chanda, Itarsi, etc.	Ambarnath	3— 1—48	Due to the 1948 revision, the rates were high according to the party. Request regretted as it would lead to more requests of such nature.
Stoneware pipes	Chickbanavar	Bombay and Poona	8— 6—49 and 25— 8—48	Party requested for special rates, pointing out the existing special rate from Jubbalpore. With effect from 1—11—'48, the special rate from Jubbalpore to Bombay was cancelled as no commercial justification existed to continue the same. Party informed accordingly.
Ceramic Products and Refractory materials.	Jubbalpore	Bombay	26—10—48	Party complained to the Railway Board of the above cancellation. Railway Board were advised accordingly.
Earthware.	Calcutta area	Bombay	25— 5—48	Request was for special rates as Class 2 B was considered high. Party advised of lower rates at C/H schedule for wagon loads.

Broken glass lime and glassware.	New Delhi, Nagpur and Katni etc.	Salamatpur, Bigoli etc.	10— 8—48	Railway rates were said to be high for the commodities to bear and face competition with other indigenous and imported stuff. The party was replied regretting as no justification was made out.
Pig lead.	Katrasgarh	Bombay, Calcutta and Madras etc.	18— 2—48	To compete with imported stuff, the party asked for reduction in railway rates so as to equalize the cost at Port towns. The matter was dropped, it being established that this stuff was not imported and there was no fear of traffic being moved by sea.
Sugar	Seohara	Wadi Bunder	22— 1—48	The party represented that the traffic booked to BB (CCB) is charged at concessional rate while that to BB (WB) is charged at higher rate. The request therefore, was to charge traffic to WB at special rate. The request was regretted as it is not the policy to encourage movement of traffic by longer route by quoting special rates.
Pig Iron	*via* Nagpur	Bombay	31— 3—48	Request was for application of special rate from via Nagpur to Bombay for traffic from Burnpore to traffic from Kulti also so as to put both these stations on an equal footing. The special rate in question was cancelled from 1—6—'48 as it infringed rate reducing powers of the railway.
Stoneware pipes and fittings	Calicut, Jubbalpore	Bombay, Poona, New Delhi etc.	7— 5—48	Some firms requested for special rates, stating that the railway rates were high. After detailed enquiries the request was regretted as no justification existed.
Sugar	Jarwal Road	Bombay	16— 1—48	Party requested for special rates, stating that the existing rates were very high. As there was already a special rate from *via* Kanpur Central to Bombay, the total rate from Jarwal Road to Bombay was low enough. Further reduction was not acceded to.
Antimony	Vikhroli or Bombay	Tatanagar	16— 1—48	Request was for special rates to compete with imported metal. Request was regretted as no justification existed.
Hides and skins dry and wet	Jhansi	Madras	28— 1—48	Party requested for special rates on the analogy of special rates from Jhansi to Bombay. Request regretted as no justification was established.
Cotton seed	Amraoti, Burhanpur etc.	Khandwa	20—12—48	Party requested for special rates to develop industry. After due consideration, the request was regretted.
Sand	Dabhaur	Kamptee	13—10—48	The merchants requested for special rates as due to cancellation of old rates and subsequent revision, they were at a loss. On consideration it was found that no justification existed for the request.
Cotton (raw) F. P.	Malkapur, Akola, etc.	Certain stations on B.N. Railway	29—11—48	Request was for special rates on the analogy of special rates quoted from Amraoti to Shalimar and Dhamangon to Fuleshwar. The party failed to make a justification. The special rates in force were also cancelled because of several similar requests between nearby points.
Cotton seeds	Akola, Khandwa, etc.	Certain stations in Ajmer-Marwara	4—11—48	Request was for concession rates. Certain particulars were called for which the party failed to do.

APPENDIX "B"—(contd.)

CASES IN WHICH SPECIAL RATES HAVE NOT BEEN GRANTED

Nature of request and date				Decision and reasons therefor
Commodity	From	To	Date of Application	
1	2	3	4	5
Mowha seeds as Oil seeds	Betul, Amla and Pandhurna	Bilimora	9—11—48	Request was for special rates as special rates existed from Betul and Parasia to Navsari. The request was regretted and the special rates in force were also cancelled as they were not availed of.
Bichromate of Soda	Kanpur CGS	Bombay	9— 4—48	M/s. Kanpur Chemical Works Ltd., Kanpur complained of the increased rate which was due to re-classification of the commodity from 4 RR & 3 OR to 4-A RR & 4 OR. As the party failed to make justification, the request was regretted.
Sand	Mumbra	Bombay	26—10—48	Mumbra sand merchants represented that freight on B.B. & C. I. Railway was comparatively low and therefore sand from Bhayndar was sold at Bombay cheaper. On reference the B.B. & C.I. Railway accordingly revised their special rate from Bhayndar to Bombay and the matter was closed.
Stoneware pipes	Jubbalpore	Bombay, Poona, New Delhi and Madras	3— 9—48	The complaint was that the general revision in the rates from 1—10—'48, made the Railway freight too high for the traffic to bear and requested the continuance of C/H Schedule or quote a wagon load scale. Request regretted as the traffic was between few specific points. No justification for quoting special rates was also found.
Pottery products	Nagpur	.....	30—11—48	Request was for general reduction in rates. The request was not acceded to as the revised rates were as a result of standardisation of rates on all Railways.
Mustard and Other oils	Dholpur	Bombay and Calcutta	6—12—38	Request was for special rates on the plea that production was increased. There was no such need as Mills had stopped manufacturing oils.
Sulphur	Bombay	Kanpur CGS	22— 3—48	M/s. Kanpur Chemical Works Ltd., Kanpur requested for special rates. The request was regretted as the firm failed to make out a case that the existing rates were too high for the traffic to bear.
Firewood and Charcoal	Satna	Firozabad	20— 5—48	The request was to apply the wagon load scale for "smalls". Regretted as the traffic expected did not justify a reduction.
Timber, NOC.	Balharshah and C. P. Stations	Madras	13— 6—49	A firm requested for special rates as they were going to move large amount of this traffic. The request was regretted.

Manganese Ore	B. N. Railway Stations	Bombay	20— 8—49	Request was for special rates on the plea that B.B. & C.I. Railway rates were cheaper. Request was regretted as there were already special rates in force.
Lime and Lime-stone	Maihar	Batanagar siding	12— 5—49	Request was for special rates on the ground that the existing rates were too high for the traffic to bear. Regretted as volume of traffic was negligible.
Matchwood	Bhopal	Various stations	28— 2—49	Railway Board at the instance of Bhopal Government had asked to consider the issue of special rates. No reduction was called for as traffic could bear the existing rates.
Earths NOC.	Londa	Bombay	21— 4—49	Request was for re-introduction of special rate that was in force before 1—6—'48. The rate was cancelled at the instance of M. & S. M. Railway and the request was regretted as the party did not make any justification.
Lime and Lime-stone and Coal ashes	Jukehi Jubbulpore	Katni Murwara, Katni, Murwara and Jukehi	12— 7—49 28— 7—49 29— 7—49 21—11—49	Certain firms called for special rates, stating that road transport was cheaper. Requests were regretted as the railway rates were already very low.
Ballast and sand	Datia	Kanpur CGS, Lucknow and Aligarh	16— 4—49	As the party could not make any justification for Quotation of special rates, the matter was dropped.
Sand	Banda	Kanpur	18— 3—49 20— 4—49 & 6— 5—49	Certain firms requested for special rates, stating that traffic could not bear the tariff rate. Regretted as traffic was moving freely at the ordinary rates.
Piece-goods	Bhopal	Kanpur	31—10—49	Party's request was for a reasonable rate to be fixed comparing the distance. The party was advised of the rating position in regard to the distance and no reduction in the existing rates was justified.
Oils-Division 'D'	Sholapur	New Delhi and Kanpur	19—11—49 12—11—49	Some firms called for special rates to help their business. The requests were regretted as no justification existed.
Sugar	Nawabganj, Gonda, Basti and Lakinpur.	Wardha, Itarsi and Nagpur.	13— 9—49	Request was for special rates to face competition with certain local or nearer sources of manufacture The traffic was moving freely and the party was advised that there was no justification for his request.
C. I. Pipes	Kulti	Chandni	22—10—49	The tariff rate was said to be high and the request was for special rate on pro rata basis of special rate ex-Kulti to Bombay. F.A. & C.A.O. did not agree as there was no justification and the case was closed.
Sugar	Biswan Babhnan and Sardarnagar	Akola	10— 5—49	Request was for special rate to face competition by Amroha traffic. As the special rate ex-Amroha to Akola was embarrassing, the same was cancelled and the case was closed.

APPENDIX "B"—(contd.)

CASES IN WHICH SPECIAL RATES HAVE NOT BEEN GRANTED

Nature of request and date				Decision and reasons therefor
Commodity	From	To	Date of Application	
1	2	3	4	5
Potteries	Gwalior	Madras, Calcutta, Bombay etc.	29—10—49	Request was for special rates to face competition. The party failed to reply to certain particulars called for.
G. N. Oil	Karanja	Nagpur, Bombay etc.	21— 7—49	Request was for special rates, stating that rates by bus were cheaper. Request was regretted as there was no justification.
Groundnuts	Certain Stations On B. L. and M.S.M. Railways	Diksal	12—11—49	Party requested for special rates on the plea that the existing rates were uneconomical Party was replied regretting.
Groundnuts without shells	Certain stations on this Railway	Modinagar	22— 9—49	Request was for quotation of special rates. After full consideration, the request was regretted.
Sugarcane	Raver	Bombay	17— 9—49	Request was for special rates on the plea that the existing rates were high. The request was regretted.
Cotton seed G. N. Seed and salt	Jamkhandi, Rabkavi, etc.	Bombay	24—11—49	Request was for special rates to recapture traffic from road. After due consideration, the request was regretted
Ballast	Antri	Lucknow	8— 8—49	Requested for special rates on the analogy of special rate ex Dabra to Sonagir also stating that they were Government Contractors. Request was regretted.
Ballast and Sand	Datia	Lucknow	20— 8—49	
Coal ashes	Shahabad	Gulbarga	10— 7—49	The party requested for special rates, stating that the existing rates were too high for the traffic to bear. As the party failed to make any justification, the matter was dropped.
Stones NOC	Wadi	Sholapur	8— 8—49	A party's request for a special rate for himself only, was regretted.
Sugarcane	Talegaon	Bombay	17— 4—49	The party's request for special wagon rates could not be justified.
Sugarcane	Kopargaon	Bombay	17— 4 - 49	The party's request for special rates in order to do business on a large scale could not be justified.
Grain and Oils	Satna	Bombay and Howrah	28— 3—49	The request was for special rates. The request was regretted as no justification existed.

Manures	Andheri	Jalagaon and Shendurni	4	8	50	Request was for reducing the freight rate. The request was not agreed to as manures are already charged at low wagon load scale.
Manures	Bombay	Rehuri	7	6	50	The request was for special rates to help the agriculturists. The request was regretted as no justification existed.
Cow dung Manure	Andheri, Borivli and Certain GIP Stations	Various stations	29	5	50	The request was for special rates to help 'Grow More Food' Campaign. The request was regretted as there was no justification.
Biscuits	Bhandup	Calcutta Madras etc.	16	5	50	Request for special rates or low wagon load seale was regretted.
Groundnut oil	Manmad	New Delhi	8	2	50	Party's request for special rates was not agreed to as no justification existed.
Oil—Div. 'D'	Gulbarga	Modinagar	21	3	50	Party's request for special rate was not agreed to as there were no prospects of traffic.
Hempleaves and powder	Faridabad	Bombay	20	12	50	As the commodity was meant for export, the request was for reduced rates to reduce overall cost of the stuff. After due consideration, the request was regretted.
Cotton seeds	Shegaon	Bombay	19	8	50	The party's request to continue the special rate which was cancelled from 1—8—50 was regretted.
Cotton seeds	Stations from C. P. and Berar	Navsari	14	12	50	Request to continue the special rates which were cancelled from 1—8—'50 was not agreed to as their cancellation was as a result of detailed enquiries.
Tar	Lodna	Bombay	23	2	50	Request was for special rates to meet competition from imported material. As no justification existed, the request was regretted.
Aluminium Circles	Madras and Calcutta	Bombay	7	6	50	The request was for special rates to help the industry and reduce cost to consumers. The case was not pursued in absence of particulars called for.
Sweet Oil	Certain stations on this Railway	New Delhi etc.	20	7	50	Complained of cancellation of certain special rates and requested their continuance. After detailed investigation the request was regretted, the Oil Companies being well established.
Crockery articles	Gwalior	Bombay Calcutta etc.	29	9	50	Request for special rates was regretted as no justification was made.
Cocoanuts	Bezwada, Palakol, etc.	Dhulia	12	5	50	Request was for special rates with a promise to offer a large number of wagons per year. The request was regretted.
Groundnuts	Yeotmal	Shegaon and Khamgaon	30	10	50	Request was for special rates on the basis of reduced rates ex-Yeotmal to Akodia. After due consideration, the request was regretted.

APPENDIX "B"—(Contd).

CASES IN WHICH SPECIAL RATES HAVE NOT BEEN GRANTED

Nature of request and date						Decision and reasons therefor
Commodity	From	To	Date of Application			
1	2	3	4			5
Sugarcane	Chikodi Road	Byculla	6	2	50	The party complained against the heavy freight and requested for special rates. After due consideration, the request was regretted.
Soapstone	Bheraghat	Howrah and Bombay	28	6	50	Request for special rates was regretted.
Rubber or synthetic rubber	Bansabati	Bombay	23	8	50	Party requested for re-introduction of special rates granted during the war time. The request was not justified.
Sawdust	Barbatpur	Chalisgaon	14	9	50	The party complained that the rate was prohibitive for such a valueless commodity. Enquiries revealed that there was no justifieation for quoting special rates.
Sugarcane	Lasalgaon	Bombay	10	8	50	Request was for special rates and to treat sugarcane as perishable goods. The request for special rates was regretted. The staff concerned were, however, advised to accept sugarcane as perishable goods.
Rectified spirit and Industrial Alcohol	Nasik Road Baramati Manmad Bhigwan	Bombay	30	11	51	No concession rate was quoted as the traffic was moving freely not only between the points in question but also to other distant places at full tariff rates and the full tariff rates worked out lower than the reduced rates asked for by the applicants.
	Belapur and Dabra	Bombay	19	3	52	
Firewood	Satna	Firozabad	30	5	51	Reduction was requested in the weights for charge. Refused, as the weights charged were found satisfactory.
Cement	Shahabad Jukehi Sevalia	Khardi	18	12	51	The request was necessitated by the construction of Vaitarna—cum—Tansa scheme by Bombay Municipality and it could not be considered to be a regular traffic.
Tamarind seed	Bombay and Hindupur	Kanpur	24	9	51	The complaint was that the Railway rates were too high for the cheap commodity. The party was replied that there was no indication to show how the Railway rates were prohibitive and that it was not possible to reduce rates on such slender data.
Cisterns	Bisco	Bombay and Madras	3	2	51	The request was to charge Cast Iron Cisterns at the reduced rate available for Cast Iron Pipes. The request was regretted by B.N. Railway.
Sugar	Masheda	Central Rly. stations	27	9	51	The party's request for special rates was regretted.
Agricultural Machinery	Bombay	– Do –	4	6	51	The party requested for special rates. As necessary particulars called for from the party were not furnished, the matter was dropped.

Sugarcane	Navipet Dichpalli and Indalwan	Sakarnagar	27 11 51	The party's request to continue the special rates was not acceded to.
Ballast	Satna siding	Lucknow	11 3 51	Request was for special rates, stating that they wanted to book 500 wagons to the Municipal Board, Lucknow, for road construction purposes. The request was not acceded to.
Gramexate	Calcutta	Bombay	27 11 51	The request for special rates was not agreed to because of then stringent position of wagon supply.
Ferro Silicon	Bhadravati	Kanpur	19 7 51	The request was for special rates to compete with foreign imports. As this industry was protected, the charge of foreign competition did not arise and no reduction was called for.
Matchwood	Howrah	Gwalior	1 9 51	The party's request for reduced rates was regretted by Eastern Railway as the commodity was charged at a low wagon load scale.
Piece-goods	Bombay	Muzaffarpur	27 8 52	Request was for restoration of special rates that were in force prior to 1947 and was too general without any grounds to support the request. Applicants were asked to show justification for the request and the matter was not pursued by them.
Cotton-waste blankets	Bombay	Shalimar	13 12 52	Applicant's case was that prices of cotton-waste blankets consumed generally by plantation labour in Assam has fallen and rates are too high. Enquiries showed that traffic by rail was satisfactory and there was no competition by sea route. Hence request refused.
Coal ashes	Chola siding	Sion	26 8 52	Regretted. Traffic in coal ashes is moving from the Chola siding to longer distances than Sion, at tariff rate and hence no justification.
Onions	Nasik Road Devlali	Saugor Naini Bhopal	30 6 52 29 3 52	From enquiries it is found that traffic is moving in appreciable quantities at full tariff rate to certain longer destination, and therefore, the request was regretted.
Fire-wood	C. Rly. stations.	New Delhi and Madras	24 6 52	Regretted as the rate charged itself is considered sufficiently low.
Fire-wood	Visapur, Rahuri & Belapur	New Delhi	3 11 52	It was not considered desirable to encourage movement of firewood over long distances when this traffic is moving satisfactorily from nearby sources. Regretted
Biscuit & Confectionary	Bombay	Madras, Shalimar & Bangalore	1— 5—52	Request for special rate was not acceded to as there was no justification.
Camphor tablets	Bombay	Calcutta	26— 4—52	The request was for reduced rates, stating sea freight was lower. On examination, the request was regretted.
Dry cattle	Stations in Bhind Morena etc.	Shivpuri	11— 8—52	The party complained of the high cost of transport. Regretted that there was no justification to quote reduced rates.

APPENDIX "B"—(contd.)

CASES IN WHICH SPECIAL RATES HAVE NOT BEEN GRANTED

Nature of request and date				Decision and reasons therefor
Commodity	From	To	Date of Application	
1	2	3	4	5
Rook Phosphate	Bombay & Madras	Belampalli	9— 4—52	The request for lowering the classification was under consideration of the Railway Board and the matter was held in abeyance.
Glucose powder	Bombay	Madras	15—10—52	Railway rate was said to be higher than sea freight. Enquiries revealed that major traffic moved by rail and the party did not pursue the matter further.
Sheet Glass	Bhurkunda	Bombay	28— 1—52	Party approached E.I. Railway for special rates and that Railway regretted the request.
Raw materials and finished products of Glass Industries	Shalimar and Howrah	Bombay	10—11—52	Request was for special rates, stating that the revision in rates from 1—1—'48 has been detrimental to the industry. No justification was found to comply with the request.
Lead pig, Lead ingots, sheets or slabs	North Tandoo siding Katrasgarh	Bombay	16—12—52	The request was for special rates to compete with imported stuff. The request was regretted as traffic could well bear the existing level of rate.
Empty drums	Bombay	Madras	6— 2—52 10— 3—52 and 27— 3—52	Request was for a reduction in the prescribed minimum weight condition. Regretted as it would be a precedent for several other commodities.
Bauxite	Katni Murwara	Bezwada	5— 7—52	As the request for special rates could not be justified by the party, the case was closed.
Sand	Babina	Agra Cantt.	7— 4—52	As the party failed to make any justification for quotation of special rates, the matter was closed.
Chrome Ore	Kondapalli	Kanpur CGS	29— 1—52	As traffic was moving freely, the request for reduced rates was not acceded to as it would result in more such requests.
Matchwood	Nizamabad etc.	Rotagaon	14— 1—52	As traffic could bear the tariff rate, the request for reduced rates was regretted, movement of traffic also not being heavy.
Iron Ore	Alewahi etc.	Bombay	19— 9—52	Eastern Railway regretted the request for quotation of reduced rates as there was no justification.
Bauxite	Niwar and KMZ	Raniganj	28— 7—52	Party's request for reduced rates was regretted as he could not make any justification.

Iron Cre	Veldurti	Bombay Madras etc.	2— 7—52	As the party could not make any justification for reduced rates, the same was regretted.
Sand & Ballast	Chirgaon	Kanpur and Lucknow	23— 7—52	Request for special rates was turned down as there was no prospects of traffic.
Sand	Ait	Lucknow	9—10—52	Request for spccial rate was turned down as the same would set a precedent.
Ballast	Mahoba	Kanpur & Lucknow	7—12—52	Request for reduced rates was regretted in absence of any justification.
Sand & Ballast	Babina etc.	Lucknow	30—12—52	As no justification existed for reduced rates, the request for the same was turned down.
Bauxite	Katni Murwara	Sodepore	3—11—52	The request for special rates was turned down as traffic was moving to longer distances at full tariff rates.
Bauxite Ore	Niwar	Kumardubi siding	10—11—52	Do.
Bauxite	Katni	Sodepore	3—12—52	Do.
Limestone & Bauxite	Gangineni & Katni Murwara	Bezwada	30—12—52	The request for special rates was turned down as the quantity of traffic moving was not appreciable.
Sugarcane	Poona	Bombay	21— 8—52	The request for reduced rates was regretted after due consideration.
Splints & Veneers for matches	Malabar stations	Bhopal	25—11—52	The request for reduced rates was not agreed to as no justification existed.
Levigated Yellow Ochre	Satna	Calcutta Stns	22—12—52	The request for reduced rates was turned down as traffic was moving freely to longer distances at full tariff rates.
Iron & Steel Materials	Tatanagar	Ambernath	26— 8—52	The party's request for reduced rates was fully examined and no justification was found to comply with the request.
Biscuits	Gwalior	Bombay Calcutta etc	10— 7—52	Due to competition in the market, reduction in railway freight was requested. The party did not pursue the case when asked for necessary particulars.
Piecegoods presspacked	Madurai Ambasamudram and Tuticorion	Ahmednagar Manmad etc.	18— 3—53	Basis of request for rates was the fact that rates were in force until 1944, and that with removal of controls there is free competition in the market. As there was no reason showing how the existing rates were high and how much traffic will increase by any reduced rate, Southern Railway rejected the request
Sheet glass	Kandra	Bombay Poona	23— 7—53	Special rates are requested on the basis of difficulty in meeting competition from imported goods. Investigations showed existing traffic satisfactory and other Railways agreed that no justification existed for reduced rates. Request refused.
Oil seeds	Khandwa, Itarsi and Saugor	Ballabgarh	8— 8—53	As Oil Mills at other places are receiving greater traffic at full tariff rates and as any reduction will invite requests for rates for other places without any chance of net additional revenue, request was refused.
Groundnut with shell & groundnut seeds	Pandhurna	Jubbulpore	16—10—53	

APPENDIX 'B'.—(contd.)

CASES IN WHICH SPECIAL RATES HAVE NOT BEEN GRANTED.

Nature of request and date				Decision and reasons therefor
Commodity	From	To	Date of Application	
1	2	3	4	5
Myrobalans (Harda seeds) N.O.C.	Stations in Madhya Pradesh	Bombay	13— 7—53	The party was advised to show how the existing rates are high and to furnish names of stations from which reduced rates are required. The matter stands closed.
Cinders (as coal ashes)	Pachora Bhusawal	Firozabad	1— 8—53	Request for concession rate based on the promises that the freight is too high compared to the price of coal ash. Investigations showed prospects are not bright and hence request was refused.
Graphite and Red and Yellow Oxides	Chanda, Betul and Kamptee	Bombay, Madras and Calcutta	4—12—53	Reasons in support of the request were as follows:— Ores available at these places are of poor quality and do not fetch prices comparable with better quality ores. Reduction in railway freight will help to increase traffic. Investigations showed that prospects of additional traffic being secured by reduction are not bright. Request refused.
Clay or fireclay	Chanda Road	Okhla	5— 8—53	Applicant wanted to import clay from a distant place in preference to nearby supplies. Wagon load scale considered sufficiently low and hence request was refused.
Glucose powder	Shalimar	Bombay	10— 4—53	The party requested Eastern Railway for quotation of reduced rates. Eastern Railway regretted the request as traffic was casual and volume of traffic likely to be despatched was small.
Glass sheets	Kandra	Bombay, Madras, etc	12— 7—53	The party's request for special rates was regretted as no justification existed.
Battery Solution	Bombay	Manipur	29— 7—53	As the party could not justify his request for special rates, the matter was dropped.
Oilseeds	——	——	3—11—53	Request was special rates made applicable on the actual weight possible to be loaded. Request was regretted as it was not possible to supply any particular types of wagons.
Superphosphate fertilisers	Ambernath	S. Railway Stations	6— 2—53	The request for special rates was regretted in absence of any justification.
Sand	Banda	Kanpur and Lucknow	15— 1—53	Request for special rates was regretted as traffic was on the increase.
Sand	Khajraha	Do	2— 4—53	As traffic could bear the normal tariff rate, the request for special rates was turned down.

Sand	Karjat	Lonavla	20— 4—53	Request for special rates was not agreed to, as no justification existed.
Sand	Khajraha	Lucknow	13— 1—53	As the party could not make any justification for his request for reduced rates, the same was turned down.
Sand and Brick	Dhond and Kedgaon	Poona, Kirkee etc.	14— 3—53	As traffic was moving freely at normal tariff rates, the request for reduced rates was turned down.
Sand	Khajraha	Kanpur C.G.S.	17— 4—53	As traffic could bear that tariff rate, the request for reduced rates was turned down.
Iron ore and Bauxite	Sihora Road, Deori, etc.	Bombay Vizagapatam, etc.	8— 8—53 19— 8—53	As traffic was moving freely at the existing rates which were already low, the request for reduced rates was not agreed to.
Bauxite	Katni Murwara and Niwar	Kumardubi siding etc.	21— 1—53	As traffic was moving freely at the existing rates, the request for reduced rates was not agreed to.
Preserves	Allahabad	Bombay	31— 3—53	As there was no justification fo reduced rates, the request for the same was not agreed to.
Slag	Tatanagar	Faridabad	17—11—53	Request for reduced rates was turned down as the commodity is already charged at a low scale.
Bauxite	Katni Murwara	K. P. Docks	10— 2—53	As traffic was moving freely at longer distances at the ordinary rate, the request for reduced rate was not agreed to.
Firewood	Satna	Firozabad	25— 7—53	The party requested for the fixed weight for charge on floor area basis be reduced. Regretted as there was no justification for the same.
Myrobalans and Stone N.O.C.	Stations in C.P. and Berar	Bombay	25— 7—53	As the party who called for concession rates could not be contacted, the matter was closed.
Bauxite Ore	Niwar	Vizagapatam Port	30— 5—53	The request for reduced rates was regretted as there were no facilities for dealing with this traffic at Vizagapatam Port.
Coal	Singareni and Bellampalli	Secunderabad	18— 3—53	Request for free carriage was turned down.
Charcoal dust	Chanda	Kalyan and Sion	1— 3—53	In absence of any justification, the party's request for reduced rates was turned down.
Myrobalan	Talegaon	Bombay	20— 2—53	Do.
Bauxite	Katni Murwara	Bombay	26— 2—53	Request for special rates was not agreed to as traffic was moving freely at ordinary rates and for longer distance.
Silica Sand, Fireclay and Dolomite.	Tatanagar, Jubbulpore etc.	Sion	14— 8—53	As traffic was moving freely at the tariff rates, the request for reduced rates was turned down.

APPENDIX "B"—(contd.)

CASES IN WHICH SPECIAL RATES HAVE NOT BEEN GRANTED

Nature of request and date				Decision and reasons therefor
Commodity	From	To	Date of Application	
1	2	3	4	5
Groundnuts	Yeotmal and Karanja	Akola	6— 1—53	The request for reduced rate was turned down as traffic could bear the rate and railway rate was cheaper than road transport charges.
Yarn.	Madura, Tuticorin etc.	Ahmednagar, Manmad etc.	18— 3—53	Request after the War was to revise the special rates in force during 1939—44. The case was dropped as the party could not make out a justification.
Rubber goods.	Shalimar	Bombay	29— 2—53	Railway rate was said to be high. In absence of any justification, request for reduced rate was regretted.
Iron scrap.	Kanhan	B. P. T. Railway Stations	29— 1—53	Request was for traffic to be charged at W/300 basis. Regretted as Railways were unable to comply.
Aluminium Hydrate.	Muri	Barajadi	23— 6—53	Tariff rate was said to be high. Matter was referred to Eastern and Western Railways over which traffic is to originate. No decision was taken.
Alum, Sulphate of Alumina etc	Barajadi	Secunderabad Hyderabad etc.	27— 7—53	
Livestock.	Stations on Jhansi Division	Ghatkopar & Kurla.	4—11—53	As no justification existed, the request for special rates was turned down.
Canvas.	Sholapur	Shalimar	9— 1—53	Request is on the analogy of special rate for traffic ex-Bombay to Shalimar and for reasons that the rate for lesser distance is higher than that for greater distance. Necessary proposal made to Eastern Railway to quote a special rate on re-booking basis at Bombay.
Zinc Oxide, Red Oxide, etc.	Kannagar and Shalimar	Bombay	17— 6—53	Complaint was that Railway rate was higher than sea freight and wagon supply was short. Due to operational difficulties, Eastern Railway was not in favour of quotation of special rates and the matter was dropped.
Bichromate of Soda.	Kanpur C. G. S.	Calcutta	25— 8—53	Party alleged that the rate ex-Bombay to Calcutta was lower than that ex. Kanpur C.G.S. to Calcutta and the trade at Calcutta get the stuff from Bombay only. Hence the request for reduction in rate from Kanpur C.G.S. to Calcutta. The question of quoting special rate in competition with sea route is under examination in consultation with foreign railway.
Bidies and Bidy leaves.	Sauger	Kanpur and Ujjain, Nasik Road & Sholapur	17— 3—54	Party has been asked to give justification for quotation of the special rate and state how the existing rates are uneconomical for him. There has been no letter from him so far.

Soap stock	Indore	New Delhi and Dhulia	17— 3—54	Existing [illegible] full tariff rates satisfactory. Hence request was refused.
Hemp	Ahmednagar	Shalimar	8— 3—54	The applicant requested for quotation of a wagon load scale with W/300 BG. condition for hemp *ex* Ahmednagar to Shalimar as he is sending traffic in wagon loads. There is no general movement of this traffic over Central Railway and the question of quoting wagon loads scale was dropped. It was proposed to meet the parties difficulty if any by quoting a special rate for wagon load traffic if sufficient justification exist which was proved bleak on further enquiry with Eastern Railway. Hence the matter is dropped.
Cotton Yarn	Bombay Sholapur	Shalimar	9—12—54	The applicants' request is on the plea that special rates existed in pre-war days and that the present rates are too high for traffic to bear. Traffic is required to be booked to Calcutta only to establish market to meet demands from North Eastern region such as Assam, Orissa, Bihar etc. On detailed enquiry by this office as well as by Eastern Railway it has been found that nearly 2/3rds of total traffic is moving by rail route even though the Railway rate is higher than that by sea route. The commodity is a costlier one prices of which are varying from Rs 46-4-8 per maund to Rs. 650-1-6 per maund. Hence no justification for quoting special rates. Prospects of traffic at Sholapur to Shalimar are too meagre.
Looms	Birlanagar	Bombay, Manmad, Delhi, Kanpur, Bangalore, Madura, Amritsar etc.	14— 7—54	Applicants request is on the plea that they were getting less profits on the sale of their looms as compared to other concerns in the South. On detailed enquiry it has been established that there is no justification for quotation of any special rates for looms *ex* Birlanagar to any of the stations concerned.
Medicinal Castor oils in bottles	Bombay	Shalimar	31—12—54	Applicants request is on the analogy of the special rate for medicines *ex* Bombay to Shalimar. Consequent upon the general revision in the scale of rates with effect from 1—4—55, the differenee between the special rate for medicine and tariff rate for castor oil was evaded. Apart from that no case *prima facie* was established. Hence the matter is dropped.
Zinc Ingots	Bombay	Ghatshila Jamshedpur	8— 7—54	Applicants request is on the plea that the tariff rates for this traffic *ex* Calcutta stations to these places are very low. The case is not established on economic justifications. On account of the Geographical position, Calcutta can naturally enjoy the benefit of lower full tariff rates on account of lesser distance. There is no movement of this traffic by other mode of transport. Hence no justification for special rates.
Cotton seeds	Adilabad	Khandwa	18—12—54	Applicants request for quotation of a special rate for Cotton seeds *ex* Adilabad to Khandwa through Railway Board. However, they themselves have admitted that these cotton seeds are of the best type in India and the selling rates are quite favourable. Hence no justification for any special rates.
Bidies	Saugor	Kanpur, Ujjan	17— 3—54	Applicants request is on the plea that the Railway rates are high. The applicant has been advised that special rates are quoted only when economic justification is established and asked to show how the railway rates are high for this traffic to bear. They have not pursued the matter further.
Biddy Leaves	Saugor	Nasik Road Sholapur	17— 3—54	

APPENDIX "B"—(*Contd*).

CASES IN WHICH SPECIAL RATES HAVE NOT BEEN GRANTED

Commodity	Nature of request and date: From	To	Date of Application	Decision and reasons therefor
1	2	3	4	5
Vanaspathi Refined oil Soap	Akola	Narela	27— 4—54	Applicants request is for quotation of special rate for Vanaspati refined oil and soap *ex* Akola to Narela. They were advised that special rates are quoted only when economic justification is established and asked to show how the Railway rates are more than what the traffic can bear. They have not pursued the case further.
Matchwood	Howrah	Gwalior	27— 3—54	This request from M/s. Imperial Match Co. Ltd., was rejected as sufficient traffic was not expected to move by the quotation of reduced rate.
Canned Fruits	Nagpur	Bombay	7—12—54	This request from Messrs. Central Hindusthan Orange & Cold Storage Co. Ltd., was rejected as the classification for the fruit preserves has already been revised from 12th to 8th class and there was no ground for justification.
Canned Products	Bombay	Calcutta, Madras Kanpur, Allahabad	21—10—54	This request from M/s. Pure Products & Madhu Canning Ltd. was rejected for the same reason as for item above.
Sheep and Goat	Latur Road	Hyderabad	18—11—54	It was found that the traffic in the past two years was negligible and the anticipated fraffic was indefinite. So the request from Mr. Mohamed Hussain was rejected.
Lime Stone	Jukehi	Sirpur Kaghaznagar	18— 6—54	The request from Messrs. Sirpur Paper Mills Ltd., was based on the reason that they could not get empty wagons for procuring their supplies of Lime from Jukehi. As they would require two wagons for every wagon of Lime imported in the past, and the party's hope for getting empty wagons for Lime Stone traffic was unfounded, the request was rejected.
Coal Ashes	Pomalwadi	Poona, Kirkee, Chinchwad, Talegaon, Lonavla etc.	23— 7—54	As Messrs R. R Shirkee & Sons have not given any economic justification for their request and as the traffic has been moving at full tariff rate between the points, there was no ground for a reduced rate.
Soaps	Bombay	Shalimar, Salt Cotaurs	22—11—54	The request from Messrs. Godrej Soaps Ltd., could not be complied with as they failed to establish any economic justification and there is not much difference between the Railway rate and the sea freight.
Slag	Tatanagar	Faridabad	16— 9—54	The traffic already moves at tariff rate between the points and is charged the low class. WI/C, OP or WL/CR, RRL. Hence no justification for further reduction-

Stones	Tandur Navandgi	New Delhi	10— 3—54	The traffic moves at tariff rate freely from all stations to New Delhi. Hence this request from Messrs. Tandur and Navandgi Stone Quarries Ltd., was rejected.
Empty barrels and drums	Bombay	Calcutta, Madras and Cocanada	30— 4—54	Being bulky articles, it is charged at a minimum weight of 120 Maunds at second class. It is not profitable for the railways to carry this traffic considering the cost of haulage. Hence this request from Messrs. Bharat Barrel & Drum Manufacturing Co., was regretted.
Myrobalan	Bombay	Poona	23— 2—54	The complaint of Mr. Y. K. Patil in a merchants meeting was investigated. No special rate could be quoted because a concession rate was not likely to capture this traffic to the road-cum-rail route.
Sand	Basai Orchha	Lucknow	11— 9—54	There was hardly any booking from Basai. Sand was already charged at low wagon load scale. There was no ground for a reduced rate to be granted against the request of Messrs. Harish Chandra Jain & Co.
Myrobalan	Poona	Bombay	31— 8—54	Request for special rate was regretted as it was not likely to capture this traffic to the road-cum-rail route, even by quotation of reduced rate.
Bhoosa	Bhilsa	Bombay, Delhi and Kanpur	15— 2—54	Request for redueed rate was regretted as the commodity is already charged at a low wagon load scale.
Iron Ore	Guntakal	Bombay	17— 2—54	Request for re-introduction of the old special rate of Re. 0-10-0 per Maund was not agreed to as there was no request from the trade to that effect.
Firebricks	Asarva and Kankaria	Sholapur	29— 1—54	As the party failed to make any justification for his request for reduced rate, the matter was dropped.
Bagasee (crushed sugarcane refuse)	Dabra	Bombay	17— 3—54	Do.
Cigarettes	Agarpara	Bombay	31— 4—54	Do.
Saltpetre Crude and refined.	Sirsa	Bombay, Calcutta, and Madras, etc.	23— 3—54	Request for special rate was not justified as the fall in price was due to over production.
Canvas	Bombay	Shalimar	26—10—54	Eastern Railway's suggestion for fixing a suitable minimum weight condition to the existing special rate of Rs. 2.13.I per Maund RR was not considered necessary as it was quoted in competition with the sea freight.
Ring Spinning frame	Belghurish	Bombay and Sholapur	25— 3—54	The party approached Eastern Railway for special rates because the existing rates were beyond their ability to pay. Eastern Railway were advised that there was no justification for the same.
Bauxite	Katni-Murwara	K. P. Docks & Vizagapatam	17— 7—54	Request for special rates was regretted as traffic was moving freely at longer distances at full tariff rates.

APPENDIX "B"—(contd.)

CASES IN WHICH SPECIAL RATES HAVE NOT BEEN GRANTED

Nature of request and date				Decision and reasons therefor
Commodity	From	To	Date of Application	
1	2	3	4	5
Sugarcane	Poona	Bombay	16— 3—54	Request for special rates was regretted as overall charges for carriage of this traffic by rail were already cheaper than rates charged by motor truck.
Grain & Pulses	Jasra	Bombay and Calcutta.	16— 8—54	The party approached Rallway Board for special rates. Railway Board were advised that no justification existed.
Aluminium Circles	Bombay	Belur	24 —7—54	Request is on the analogy of special rate for traffic ex-Belur G.T. siding to Bombay. As the special rate ex Belur G.T. siding to Bombay was quoted in competition with sea route, there was no justification for a special rate from Bombay to Belur.
Coir Ropes and Yarn	Cochin and Calicut	Bombay	8— 5—54	Request is for restoration of concessional rates which were in force prior to 1943. The matter is under correspondence with the Southern Railway.
Cocoanuts	Bezwada	Certain stations on N.S. Section of Central Rly.	28—12—54	The party has made a request to the Railway Board for special rates. The matter is under examination.
Biscuits and Confectionery	Bombay	Madras	5— 1—55	M/s. Parle Products Mg. Co., requested for the special rate on the ground that the Railway freight was uneconomical and high as compared to the sea freight. The actual examination showed a little difference while the advantages by rail are greater. Hence there was no ground for a reduced rate.
Coal Ashes	Bhalavni	Ahmednagar	1— 5—55	Coal ashes is a low rated commodity whose movement cannot be encouraged with concessions when the wagon position is not easy. Hence the request from Mr. N. G. Gatna was rejected.
Sand	Kalpi	Kanpur Juhi	21— 3—55	Sand is already charged at a low rate and a grant of special rate would result in further requests for concession. Hence this request from the Kalpi Sand Merchants' Union was rejected.
Bamboo Wood pulp	Bombay	Nepanagar	12— 1—55	The request from M/s National Newsprint & Paper Mills Ltd. could not be granted as there was no justification when wood pulp is already charged very low at 2nd RR.
Coal ash	Nandagon	Certain Stations	9— 5—55	Request for special rates was regretted as the party's contract was rescinded and the question of quoting reduced rates did not arise.

Limestone	Satna	Kulti and Burn Co. Sdg.	21— 1—55	Request for special rates was regretted as traffic was moving freely at fult tariff rates to various destinations.
Graphite	Titalgarh	Bombay	7— 7—55	No justification existed to quote any reduced rate.
Sugarcane	Titalgarh	Bombay	25— 8—55	General request for reduced rates. The party has been asked to furnish necessary particulars.
Cocoanut Oil Copra etc.	Bombay, Delhi, Cochin, etc.	Hyderabad	22— 8—55	Party's repuest for concession rates was regretted in absence of any justification.
Maida	Bombay	Trichinopoly Goods	23— 3—55	Special rates asked for. Southern Railway have been asked for their views and the matter is under examination.
Grain and Pulses	Agar	Ujjain	22— 7—55	Hardships caused for the movement of jowar is under examination.
Sugar, Toor dal and Wheat Flour	Belapur, Belwandi etc.	Poona	22—10—55	Party's request for concession in railway rates and supply of sufficient number of wagons is under examination.
Aluminium Sheets and Circles	Belur G. T. Sdg,	Sion and Thana	26— 8—55	The party has represented that due to wagon shortage and quota restriction, he is finding it difficult in booking traffic ex Belur G. T. Siding to Bombay at the existing special rate. The request, therefore, is to apply the Belur-Bombay special rate to traffic booked to Sion and Thana also for which wagons could be had. *The matter is under consideration.*
Tinned Sheets	Tatanagar	Secunderabad	28— 2—55	Request is for special rates based on the special rate for traffic ex Tatanagar to Bombay on the plea of general depression in the trade. Request regretted in absence of justification. The special rate ex Tatanagar to Bombay was also cancelled.

PART—II.

Q : 1. (a) The information available is tabulated in the statement No. 3 attached. During one year ending June 1955, the following quantities of traffic in respect of the 37 commodities detailed in the statement were booked at RR and OR respectively :—

Railway Risk

No. of consignments	Maunds
8,316	1,13,075

Owner's Risk

No. of consignments	Maunds
13,897	1,18,168
Increase +67.11%	+4.50%

(b) The enclosed statement will show that traders prefer to book the following commodities out of the 37 mentioned at higher RR rates, where alternative OR rates are available.

(1) Rose water ;

(2) Spirit, Wines and Cordials (not in bottles or jars), imported.

(3) Ale and Beer, not in bottles or jars.

(4) Motor tractors ;

(5) Glucose N.O.C ;

(6) Milk condensed and tinned ;

(7) Spirit Varnish ;

(8) Varnish N.O.C ;

(9) Vinegar ;

(10) Hair Oils and Hair Dressing preparations ;

(11) Acid, Sulphuric diluted containing not less than 60% by volume of water ; and

(12) Lamp shades of all kinds, etc.

(c) Relevant information in respect of the per-war period is not available. No remarks can, therefore, be offered.

Q : 4(a). There has been a marked increase in the number of claims paid by this Railway, after the last war, as will be seen from the figures tabulated below :—

Years.		No. of claims paid.
1940—45	...	78,785
1945—50	...	1,34,615
1950—55	...	1,91,151

The following are the principal commodities in respect of which the above increase in compensation claims has taken place :

Name of commodities.	No. of claims paid during the years		
	1940—45	1945—50	1950—55
1. Betel leaves	4,956	14,713	29,728
2. Fruits and Vegelables	1,594	8,748	9,797
3. Provisions & Oilmanstores	3,431	12,565	25,329
4. Piecegoods	2,248	4,663	8,576
5. Rice	4,829	3,345	5,306
6. Sugar	3,244	4,175	13,245
7. Tobacco	789	4,283	3,185
8. Boots & Shoes	1,096	2,033	3,276
9. Grains	2,977	3,195	14,588
10. Other Commodities	53,621	76,895	78,121
Total ...	78,785	1,34,615	1,91,151

(b) The information regarding the volume of traffic and the relative prices of the above commodities compared with the pre-war period, so far as it is available, is detailed in statements Nos. (1) and (2) attached.

Q : 5. (a) The table below shows the number of claims paid under various causes during the years 1950-51, 1951-52, 1952-53, 1953-54, and 1954-55.

Causes	Amount paid during the year 1950-51	Percentage	Amount paid during the year 1951-52	Percentage	Amount paid during the year 1952-53	Percentage	Amount paid during the year 1953-54	Percentage	Amount paid during the year 1954-55	Percentage
1. Thefts and Pilferage ...	32,75,264	76.1%	35,83,799	80.3%	36,52,080	71.1%	37,15,170	78.4%	29,59,446	71.3%
2. Misdespatch	——		No separate figures are maintained							
3. Deterioration due to delay in transit. 4. Fall in prices owing to delay in transit.	2,90,841	6.8%	3,65,527	8.1%	2,60,826	5.5%	2,45,230	5.1%	1,62,391	3.9%
5. Damage to consignments due to rough shunting and rough handling.	1,38,328	3.2%	98,869	2.2%	50,154	0.9%	25,687	0.5%	26,655	0.6%
6. Leakage	89,067	1.6%	98,654	2.2%	74,434	1.4%	93,967	1.9%	1,37,017	3.3%
7. Damage due to wet	3,22,285	7 5%	3,80,742	8.3%	4,07,761	7.9%	3,76,512	7.9%	5,00,854	12.1%

(b) Following are the amounts of claims preferred and quantum of payment made by Central Railway in Claims cases (Cause-wise).

Causes	1950-51		1951-52		1952-53		1953-54		1954-55	
	Amount preferred Rs.	Quantum of payment Rs.	Amount preferred Rs.	Quantum of payment Rs.	Amount preferred Rs.	Quantum of payment Rs	Amount preferred Rs.	Quantum of payment Rs.	Amount preferred Rs.	Quantum of payment Rs.
1. Thefts and Pilferage ...	39,30,317	32,75,264	43,00,559	35,83,799	43,82,496	36,52,080	44,58,204	37,15,170	35,51,335	29,59,446
2. Misdespatch	95,840	Not available	97,405	Not available	1,86,702	Not available	2,62,255	Not available	3,48,616	Not available
3. Deterioration due to delay in transit. 4. Fall in prices owing to delay in transit.	4,36,261	2,90,841	5,48,290	3,65,527	3,91,239	2,60,826	3,67,845	2,45,230	2,93,586	1,62,391
5. Damage to consignments due to rough shunting and rough handling.	1,65,993	1,38,328	1,18,643	98,869	60,185	50,154	30,824	25,687	31,986	26,655
6. Leakage	1,06,880	89,067	1,18,385	98,654	89,321	74,434	1,12,760	93,967	1,64,420	1,37,017
7. Damaged by wet	3,86,742	3,22,285	4,56,890	3,60,742	4,89,313	4 07,761	4,51,814	3,76,512	6,01,025	5,00,854

QUESTION 5—(*contd.*)

(c) Following are the amounts preferred in respect of claims rejected (Cause-wise).

S.No.	Cause.	Amount in rupees preferred during the year 1950—51	Amount in rupees preferred during the year 1951—52	Amount in rupees preferred during the year 1952—53	Amount in rupees preferred during the year 1953—54	Amount in rupees preferred during the year 1914—55.
1.	Thefts & Pilferages	3,98,761	4,07,840	4,56,755	4,89,840	3,94,592
2.	Misdespatch	15,784	17,960	23,692	37,958	58,735
3.	Deterioration due to delay in transit	4,30,396	5,36,672	3,81,627	3,74,598	2,87,649
4.	Fall in prices owing to delay in transit					
5.	Damage to consignment due to rough shunting and rough handling	1,92,760	1,68,340	86,887	43,491	45,540
6.	Leakage	84,840	98,741	65,690	98,747	1,23,315
7.	Damaged by wet	38,988	49,762	51,362	46,965	66,780
8.	Non-Delivery	65,49,760	71,89,293	73,597	69,81,293	76,29,829

Q : 6. Following are the amounts of claims preferred in respect of principal commodities wherein Claims ar rejected:—

S.No.	Principal Commodities.	Amount in rupees preferred during the year 1950—51	Amount in rupees preferred during the year 1951—52	Amount in rupees preferred during the year 1952—53	Amount in rupees preferred during the year 1953—54	Amount in rupees preferred during the year 1954—55.
1.	Betel Leaves	2,10,291	3,04,264	2,50,355	2,41,760	1,66,840
2.	Fruits & Vegetables	1,97,590	2,31,021	1,15,850	1,30,270	1,12,760
3.	Glasswares	30,760	23,430	17,630	15,290	18,255
4.	Tiles, Marbles, Stones, Asbestos & Cement products	95,201	90,920	74,421	39,957	41,292
5.	Oils (K. Oil, Sweet Oils, Lubricating Oils)	82,790	95,270	61,290	95,950	1,20,240
6.	Machinery	60,740	47,431	35,798	32,432	39,290
7.	Other commodities (Sugar, Piecegoods, Grains, pulses etc.)	60,50,702	69,80,560	64,75,790	62,80,270	73,80,540

Q: 20. As at present 60% of the claims preferred are settled, while 40% are repudiated. Of the 40% repudiated, it is estimated that half of them do not in themselves end as claims for compensation, in that they relate to consignments overdue which are subsequently delivered. It would be only in the balance of cases viz. 20% of the total number of cases that the railways would be called upon to pay, if responsibility was assumed as common carriers. The additional amount to be paid based on the claims paid by the Railway during 1954-55 would thus be approximately a sum of Rs. 8 lakhs. The additional amount that would be required to be paid separately in respect of running train thefts and other causes would be:—

R. T. Ts.

Rs. 1,60,000.

Other causes

Rs. 6,40,000.

STATEMENT No. 1.

Comparative statement showing average volume of traffic (Goods) in tons per year carried during the period 1941—45, 1946—50 & 1951—55 as compared with the pre-war period (1936—40)

Period average	Rice	O.F. Grains	Sugar	Cotton Textiles	Fresh Fruits & Vegetables	Tobacco	Provisions
(1) 1936—40	2,73,760	8,87,240	1,79,160	2,06,740	1,25,320	43,140	2,13,820
(2) 1941—45	2,11,980	9,42,800	1,57,040	1,92,960	1,02,540	42,320	2,04,620
(3) 1946—50	2,94,067	11,51,533	1,56,600	1,92,500	1,14,833	44,167	1,94,033
(4) 1951—54*	2,56,775	16,38,100	2,51,550	1,86,325	2,34,150	54,050	2,27,675

*Integration of G.I.P. Railway with N.S. and other Railways.

STATEMENT No. 2.

Comparative wholesale Prices and Index Numbers of individual Commodities

Base: Year ended August 1939—100.

Commodity	Unit	1950		1951		1952		1953		1954		1955 (Jan. to Sep.)	
		Price	Price Index	Price	Price Index	Price	Price Index	Price	Price Index	Price	Price Index	Price	Price Index
		Rs. A. Rs. A.		Rs. A. Rs. A.		Rs. A. Rs. A.		Rs. A. Rs. A.		Rs. A. Rs. A.		Rs. A. Rs. A.	
1. Rice ...	Per md.	16 0 to 28 0	514	12 0 to 34 0	547	12 0 to 28 0	526	13 0 to 24 8	512	11 0 to 17 8	473	10 0 to 19 0	437
2. Wheat ...	,,	13 0 to 22 0	534	13 0 to 25 0	547	13 0 to 23 0	528	12 8 to 23 0	568	10 12 to 19 0	490	9 0 to 16 0	417
3. Other food grains.	,,	10 0 to 22 0	291	10 0 to 16 0	271	10 0 to 12 8	231	9 8 to 12 0	249	7 2 to 10 8	208	4 8 to 8 0	146
4. Pulses ...	,,	10 0 to 22 0	456	12 0 to 20 0	505	12 0 to 19 0	473	12 0 to 21 0	494	6 4 to 15 0	318	6 4 to 9 8	239
5. Sugar ...	,,	28 0 to 30 11	280	30 8 to 30 11	297	27 0 to 30 11	294	26 6 to 29.9.4	273	28.4.5 to 32 3	295	27 8 to 29 10	269
6. Cotton Textiles	,,	...	354	...	401	...	401	...	406	...	413	...	405
7. Tobacco ...	,,	60 0 to 115 0	950	55 0 to 275 0	1042	81 0 to 271 0	983	76 0 to 124 0	1053	73 0 to 120 0	979	71 0 to 88 8	748

STATEMENT No. 3

Traffic in certain commodities booked from Central Railway Stations during July 1954 to June 1955.

S. No.	Commodity.	Classification.		Name of forwarding station.	Traffic Booked at					
					R. R.			O. R.		
		R. R.	O. R.		Number of consignments.	Maunds.	Earnings. Rs.	Number of consignments.	Maunds.	Earnings. Rs.
1.	Anised Water	10	8	Wadi Bunder	—	—	—	—	—	—
2.	Keora Water	10	8	,,	—	—	—	5	19	47
3.	Khas Water	10	8	,,	6	21	51	3	17	29
4.	Rose Water	10	8	Hyderabad (Dn)	10	31	77	—	—	—
5.	Motia Water	10	8	Wadi Bunder	—	—	—	5	19	23
6.	Spirits, Wines and Cordials (not in bottles or jars), imported	12	10	,,	56	163	265	8	20	35
7.	Spirits, Wines and Cordials country (below 50° over-proof) and having flash point at or above 70°F	11	9	Atru	1	33	17	49	790	370
				Secunderabad	—	—	—	—	—	—
				Wadi Bunder	65	160	243	—	—	—
8.	Cider in bottles or in jars packed In cases or hampers.	7	5	Secunderabad	—	—	—	—	—	—
9.	Cider not in bottles or in jars	6	4	,,	—	—	—	—	—	—
10.	Ale and beer not in bottles or in jars	6	4	,,	—	—	—	—	—	—
11.	Chloride of Borium p;d.	6	4	Wadi Bunder	45	1,867	5,185	4	25	37
				Secunderabad	—	—	—	—	—	—
12.	Sodium Hypochloride solution or electrolytic calorine in drums	6	4	Secunderabad	—	—	—	—	—	—
13.	Agricultural implements and machines N.O.C. worked by hand or animals, unpacked	4	2	Poona	1	20	32	—	—	—
				Ahmednagar	—	—	—	823	6,700	4,628
				Hyderabad (Dn)	—	—	—	166	440	431
				Secunderabad	—	—	—	281	333	379
				Wadi Bunder	57	5,923	20,036	41	5,901	19,619

STATEMENT No. 3.

Traffic in certain commodities booked from Central Railway Stations during July 1954 to June 1955.

S. No.	Commodity.	Classification.		Name of forwarding station.	Traffic Booked at					
					R. R.			O. R.		
		R. R.	O. R.		Number of consignments.	Maunds.	Earnings. Rs.	No. of consignments.	Maunds.	Earnings. Rs.
14.	Agricultural implements and machines N.O.C. power operated	5	3	Poona	—	—	—	—	—	—
				Nagpur	4	78	149	12	47	67
				Secunderabad	—	—	—	—	—	—
				Hyderabad (Dn)	—	—	—	—	—	—
				Wadi Bunder	88	12,327	38,878	31	3,865	8,699
15.	Motor Tractors	5	3	Nagpur	—	—	—	1	68	127
				Poona	3	891	443	—	—	—
				Kirkee	—	—	—	—	—	—
				Secunderabad	—	—	—	—	—	—
				Hyderabad (Dn)	—	—	—	10	1,895	2,708
				Wadi Bunder	85	7,651	43,434	33	3,283	10,938
16.	Pipes N·O.C.	5	3	Poona	1	244	92	1	256	99
				Itwari	—	—	—	—	—	—
				Belanganj	—	—	—	—	—	—
				Wadi Bunder	524	12,845	55,591	98	2,629	6,643
				Gwalior	—	—	—	4,612	7,387	6,778
17.	Duplicating Machines	6	4	New Delhi	—	—	—	—	—	—
18.	Glucose N.O.C.	6	4	Sion (Bombay)	—	—	—	—	—	—
				New Delhi	—	—	—	—	—	—
				Secunderabad	442	282	399	—	—	—
				Hyderabad (Dn)	11	7	13	—	—	—
				Wadi Bunder	335	20,889	80,416	63	819	1,401
19.	Slates, writing	6	4	Nagpur	—	—	—	84	194	380
				New Delhi	42	85	245	142	163	562
				Belanganj	—	—	—	—	—	—
				Bhopal	—	—	—	—	—	—
				Secunderabad	—	—	—	2,640	1,503	1,494
20.	Varnish having a flash point below 200° F but not below 90° F. d.	7	5	New Delhi	106	282	648	—	—	—
				Belanganj	—	—	—	—	—	—
				Bhandup	3	4	6	—	—	—
				Secunderabad	2	14	23	106	66	117
				Hyderabad (Dn)	—	—	—	6	27	15
				Wadi Bunder	3,547	22,869	56,032	3,266	15,444	38,883

21.	Cocotine	10	8	Wadi Bunder	—	—	—	—	—	—
22.	Industrial Alcohol denatured p;d.	10	8	Jubbulpore	4	18	14	27	112	110
				Nagpur	1	6	6	55	336	351
				Nasik Road	8	774	285	39	2,647	8,284
				Wadi Bunder	22	177	433	—	—	—
23.	Milk condensed and tinned	10	8	New Delhi	—	—	—	—	—	—
				Belanganj	—	—	—	—	—	—
				Secunderabad	18	11	18	—	—	—
24.	Spirit varnish p;d.	10	8	New Delhi	3	36	126	—	—	—
				Belanganj	—	—	—	—	—	—
25.	Varnish N.O.C.	10	8	Kanpur C.G.S.	—	—	—	—	—	—
				New Delhi	122	246	605	—	—	—
				Sehore	1	272	551	6	1,259	2,249
				Bhopal	—	3,013	7,215	17	3,386	8,141
				Wadi Bunder	1,904	13,259	22,772	92	366	728
26.	Vinegar	11	9	New Delhi	4	2	4	2	2	2
				Wadi Bunder	101	632	1,401	11	59	133
27.	Hair oils and hair dressing preperations	12	10	New Delhi	—	—	—	—	—	—
				Poona	—	—	—	—	—	—
				Nagpur	104	116	195	114	127	200
				Hyderabad (Dn)	—	—	—	10	31	76
				Wadi Bunder	206	985	2,012	102	460	1,009
28.	Sodium Formaldehyde sulphoxylate	12	10	Wadi Bunder	32	144	481	—	—	—
29.	Acid, sulphuric p;d.	14	12	Poona	12	2,842	9,440	5	927	1,792
				Ambarnath	13	2,135	8,155	57	8,070	5,176
				Secunderabad	—	—	—	—	—	—
				Hyderabad (Dn)	—	—	—	—	—	—
				Wadi Bunder	94	389	945	490	1,072	2,699
30.	Acid, Sulphuric, diluted containing not less than 60% by Vol. of water p;d.	14	12	Poona	—	—	—	—	—	—
				Ambarnath	—	—	—	—	—	—
				Hyderabad (Dn)	—	—	—	—	—	—
				Secunderabad	—	—	—	—	—	—
				Wadi Bunder	109	437	1,135	48	267	928
31.	Air Conditioning Units	14	12	Wadi Bunder	28	179	815	62	1,095	3,329
32.	Hydrogen peroxide solution of strength 40 volumes and under	14	12	Wadi Bunder	—	—	—	—	—	—

S. No.	Commodity.	Classification.		Name of forwarding station.	Traffic Booked at					
					R. R.			O R.		
		R. R.	O. R.		Number of consignments.	Maunds.	Earnings. Rs.	Number of consignments.	Maunds.	Earnings. Rs.
33.	Lamp shades of all kinds (if of China, Glass, Marble, Silk)	14	12	Talegaon	—	—	—	20	53	229
				Nagpur	35	54	262	7	18	46
				Itwari	—	—	—	—	—	—
				Secunderabad	—	—	—	—	—	—
				Wadi Bunder	12	74	237	—	—	—
34.	Lead Oxide p;d.	14	12	New Delhi	—	—	—	—	—	—
35.	Oxygen, gas compressed p;d.	14	12	Kanpur C.G.S.	13	278	911	—	—	—
				New Delhi	—	—	—	—	—	—
				Wadi Bunder	55	316	852	101	699	1,158
36.	Power Alcohol	14	12	Shakarnagar	—	—	—	142	44,872	1,51,910
37.	Power Alcohol mixture p;d.	14	12	Wadi Bunder	—	—	—	—	—	—

Eastern Railway,

Calcutta.

PART-I A

Q: 27 A. list is appended below showing the cases in which 'short distance' charge has been waived *in full* in quoting special or station-to-station rates for certain kinds of industrial raw materials, during the 3 years ending 1954-55, and giving reasons. There appears to be no instance where the short distance charge was waived *in part* to quoting station-to-station rates:—

Commodity.	Station from	Station to	Rate per maund. Rs. A. P.	Reasons.
(1) Sand	Pathardihi (for traffic from Bhojudih sand siding).	Jharia, Jharia (Bagdigi Railway Siding), Karejore North & Karejore South assisted siding, Kalithan, Jingagara & Tisara Colliers	0 1 0 (a) (b)	The short distance charge was waived as the sand was meant for stowing purposes and the levy of the short distance charge would have placed the rate at a prohibitive level.
(2) Sugarcane	Stations on Sealdah Division.	Plassey	Lumpsum wagon rates on floor area basis.	The levy of short distance charge on the raw material would have proved too high for the traffic to bear and might also have resulted in diversion of some traffic, by road or river.
	Stations on Dinapore Division.	Dehri-on-Zone.		
	Stations on Dinapore Division.	Bihta.	,,	
	Stations on Dinapore Division.	Guraru.	,,	
	Arrah-Sasaram Lt. Railway Stations.	Dehri-on-Sone.	,,	
	Arrah-Sasaram Lt. Railway stations.	Bihta.	,,	

Remarks.

(a) When booked from Bhojudih Sand Siding, a siding charge of Rs. 7-13-0 per 4-wheeled wagon will be levied in addition to the rate from Pathardihi.

(b) This rate applies to Stand for stowing purposes only.

Only one instance can be traced in which the request for waival of the 'short distance' charge was not acceded to during the aforesaid period. This case related to the booking of limestone from Ray to Khalari. Enquiries showed that the traffic in question was expected to move after the lapse of 3 or 4 years and there appeared to be no immediate prospect of large scale and regular traffic. As the matter was immature a change in the rate by waiving the 'Short distance' charge was not considered.

Q: 28. The answer to the first part of the question is in the affirmative.

A list is appended hereto (Annexure I) showing the instances where station-to-station rates have been quoted and also where reductions in the class rates for particular commodities have been granted by this Railway (previously E.I. Railways) since 1948.

Another list is annexed (Annexure II) showing the cases in which requests were received from the trade since 1948 for reductions in rates, but where no reductions were granted, and stating reasons for not granting the reductions.

Instances of requests for reductions in class rates for particular commodities not acceded to.

Commodity.	Station from.	Station to	Reasons for not granting the request.
Gunny waste and cuttings N.O.C.	Various Eastern and Northern Railway Stations.	Various old Eastern Railway stations (including B. N. Zone.)	In view of the uses to which the gunny waste was being put into in the jute mills there was no justification for quotation of the WL/C scale rate which scale was meant for Gunny waste as raw material for paper making only when booked to a paper or straw Board Mill.
Petroleum Coke.	Digboi	Anupnagar Siding. Asansol.	The request was that Petroleum coke should have the same classification as Coke. The request was not acceded to as the Commercial Committee after deliberation, decided that Petroleum coke should be separately classified at Ist class level. The question of introduction of the station-to-station rate between the specific points for this commodity is under examination.

ANNEXURE.—I. to reply to Question 28.

Group—A.—Cases of reductions in rates granted in the shape of station-to-station rates.

Commodity.	Station from	Station to	Spl. rate per maund Rs. A. P.	Condition	Remarks
Rock Phosphate	Howrah	Delhi	1 3 5	OR; W/400: L	
Limestone	Ray	Tatanagar	0 4 0	OR; C-C; L.	
Oils Div. D. (G.N. Oil N.O.C.)	Madras	A.P. Siding to serve Kusum Products Ltd., (Rishra).	2 2 6	OR; W/300; L in tins, drums or barrels.	
Aluminium (for sheets and circles only).	Belur (for traffic from G.T. Road Siding).	Bombay	3 0 6	W/300; L.	
Tar	Lodna	Bombay	1 4 10	OR; W/450; L	
Tar	Lodna	Howrah	129 0 0 per 4-wheeled wagon.	OR: WR/450; L	
Motor vehicles N.O.C. S/3.	Son Nagar	Dehri-on-Sone & vice versa.	Rate per M.V. 20 0 0(a) 40 0 0(b)		(a) When loaded in 4-wheeled trucks. (b) When loaded in a bogie truck.
Rosin	Jammu Tawi O/A	Howrah	Rate per md. 3 12 6	RR; C/400; L.	
Turpentine oil or spirits of p:d.	Jammu Tawi O/A.	Howrah	5 0 6	OR; C/400; L.	
Ores, common N.O.C. (for Bauxite only).	Katni Murwara.	Sodepur	0 12 7	OR: C-C; L	

ANNEXURE—I. to reply to Question 28.—(contd.)

Commodity.	Station from	Station to	Spl. rate per maund. Rs. A. P.	Condition.	Remarks.
Ores, common N.O.C. (for Iron ore only.)	Daltonganj	K.P. Docks (for shipment)	0 8 6	OR; C.C; L	
Uneconomical animals.	Any BG stn. situated in the state of Bihar on this Railway	Barwadih, Chhipadohar, Bariarpur & Jamesee,	Rate per 4-wheeled wagon. 0 5 0 per mile plus terminals.	OR; L	
Sheep & Goats.	Patna Jn.	Howrah	0 6 0 per 4-wheeled wagon per mile plus terminals.	OR; L	
Dry cattle and their calves.	Ballygunge Jn., Sodepore, Tittaghur, Kanchrapara, Naihati Jn. & Sheoraphuli Jn.	Up-country stations (for grazing purposes).	0 4 6 per mile. plus terminals	OR; L	
Bomboo chips and splints indexed to Raw materials for the manufacture of Paper. (To be booked to a Paper Mill).	Via Banpur—Darsana (for traffic from certain stations on the Assam Rly.)	Naihati	0 1 7	OR; C/300; L.	
		Kankinara	0 1 7	Do.	
		Tittaghur	0 1 10	Do.	
Fireclay	Hendegir	Barakar (for traffic from Galfarbari siding).	Rate per ton. 6 13 0	OR; C.C; L	
	Hendegir	Raniganj Pottery Siding.	7 11 0	Do.	
	Kusunda	Dhansar Siding (Jharia)	3 3 0	Do.	
	Mahuamilan	Barakar	7 13 0	Do.	
	Do.	Howrah	13 1 0	Do.	
	Do.	Raniganj	8 8 0	Do.	
	Kasta Branch Sec. B. (Pandaveswar).	Rupnarainpur	4 11 0	Do.	
	Latehar	Barakar (for traffic to Galfarbari Sdg.)	8 11 0	Do.	
	Latehar	Raniganj Pottery Siding (Raniganj).	9 8 0	Do.	
Sugarcane	Dasna Babugarh Pilkhuwa	Modinagar	28 0 0 to 46 0 0 per wagon varying according to C.C.	OR; WR; L.	

ANNEXURE—I. to reply to Question 28.(—contd.)

Commodity	Station from	Station to	Spl. rate per maund Rs. A. P.	Condition	Remarks
Sugarcane	Jhingura Pahara	Dehri-on-Sone (Dalmianagar Siding)	From Rs. 106/- to 138/- varying according to floor area of wagon.	OR; WR; L.	
	Lohta Jeonathpur Ahraura Rd.	Dehri-on-Sone	From Rs. 97/- to 126/- per wagon varying according to floor area	Do.	
	Bikramganj Sujheuli Kharadih	Dehri-on-Sone	Rs, 68-0/- to Rs. 79-1-0/- varying according to floor area of wagon.	OR: L.	
Sugarcane	Bikramganj	Bihta	From Rs. 68 6 0 to Rs. 82 1 0 varying according to floor area.	OR; L	
	Dhanauti Piru Garhani	do.	From Rs. 68 6 0 to Rs. 79 1 0 varying according to floor area.	OR; L.	
Sulphur	Howrah	Kanpur CGS Delhi	1 7 4 1 15 11	RR; W/400; L. do.	
Boxes, cases, casks, tea chests, wooden unassembled with or without fittings.	Dehra Dun	Howrah	1 13 1	RR; W/500; L.	
Gypsum	Jamsar	Sindri Asstd, Siding (via Chillo, KCR & AEB).	1 0 1*	OR; C/500; L.	
	Kavas	do. (*via* KCR & AEB).	1 0 9*	do.	
	Jamsar	do. (*via* Bhatinda) & MGS).	1 0 11 (a)	do.	(a) A siding charge of 4 pies per md. is to be levied in addition.
Boxes, cases, casks, tea chests, wooden unassembled with or without fittings.	Ludhiana Pathankot Ludhiana Pathankot	Howrah do. Cossipore do.	1 4 9 2 1 8 1 15 3·54 2 2 2·54	RR; W/500; L. do. do. do.	
Stone, N. O. C.	Katni-Murwara.	Banjari	0 9 11	OR; C-C; L.	

*In addition to these rates a siding charge of 7 pies per maund will be levied and credited to Eastern Railway.

ANNEXURE—I. to reply to Question 28—(contd.)

Commodity	Station from	Station to	Spl. rate per maund. Rs. A. P.	Condition	Remarks
Boxes, cases, casks, tea chests wooden unassembled withor without fittings.	Dehra Dun	Bombay	1 15 1	RR; W/500; L.	
Ashes	Asansol Ondal	Chittaranjan Sdg.	80 0 0 88 0 0	OR; WR; L. p.	
	Madhupur Dhanbad	Rupnarainpur	97 0 0 100 0 0		
			Rate per maund		
Sand	Bagnapara	Howrah	0 2 8	OR; CC; L.	
	Taljhari	,,	0 5 6	do.	
Earthenware or Stoneware N.O.C. other than in boxes, cases, casks, crates or baskets.	Barakar	Howrah	0 5 5	OR; W/300; L.	
	Kumardubi		0 5 6	do.	
	Siding		0 4 3	do.	
	Durgapur				
Sand	Pathardihi	Jharia, Jharia (Bagdigi Rly. (Sdg.) Karejora North & Karejoa South assisted Sdgs. Kalithan, Jinagora and Tisra collieries.	25 0 0 (a) per 4-wheeled (b) wagon.	OR; WR; L. p.	(a) This rate applies to sand for stowing purposes only (b) On Sand booked from Bhojudih sand siding the usual siding charge will be levied in addition.
Gypsum	Via Wagah (for traffic from Stns. on N. W. Ry. (P)	Sindri Asstd. Siding. (*via* SRE & MGS)	0 15 0*	OR; CC; L.	
	Jamsar	Sindri Asst. Siding (*via* RE, DEE & MGS)	1 0 2*	do.	
	Kavas	Sindri Asstd. Sidings. (*via* KCR, RE, DEE & MGS)	1 2 0	do.	
Cement	Jukehi	Howrah	0 12 9	RR; C, C; L, p.	
Sand	Bargah	Bally (via NYN)	0 11 5	OR; C; C; L, p.	
	Shankargarh		0 11 2	do.	
	Lohgara		0 11 1	do.	
Ballast	Katni (for traffic from Katni-Cement Sdg.)	Japla (via NYN)	0 9 2	do.	
	Katni-Murwara	do.	0 9 2	do.	
	Niwar	do.	0 9 4	do.	
	Karari	Lucknow (via CPC)	0 5 5	do.	
	Babina	do.	0 5 8	do.	
	Dabra	do.	0 6 0	do.	
	Sonagir	do.	0 5 9	do.	

* In addition to these rates a Siding Charge of 7 pies per maund will be levied and credited to Eastern Railway.

ANNEXURE—I. to reply to Question 28—(contd.)

Commodity.	Station from	Station to	Spl. rate per maund	Condition	Remarks
Ballast	Tuglakabad	Firozabad (via AGC)	0 4 4	OR; C.C.L.	
	do.	Etmadpur (via AGC)	0 4 1	do.	
	do.	Makkhanpur (via AGC)	0 4 6	do.	
	do.	Sarai Bhopat (via AGC)	0 5 5	do.	
	Katni-Murwara	Dehri-on-Sone (for traffic to Dalmia-nagar siding).	0 8 9	do.	
Stone, N.O.C. Includes Chakees stone, Flag stone, etc.	Kaloobathan	Belghuriah	0 4 6	OR; C,C. L.	
		Sodepur	0 4 6	do.	
	Ratanpur	Kumardubi siding	0 4 7	do.	
		Ranigang	0 4 9	do.	
	Monghyr	do.	0 4 9	do.	
	Sheikhpura	Kumardubi siding	0 4 3	do.	
		Warisaliganj	0 4 7	do.	
Sand. p.	Bundi Road	Bhadan	0 6 4	do.	
		Shikohabad	0 6 1	do,	
		Makkhanpur	0 5 11	do.	
		Firozabad	0 5 10	do.	
		Harangan	0 5 9	do.	
		Jalesar Road	0 6 0	do.	
		Sasni	0 6 4	do.	
		Bahjoi	0 7 6	do.	
		Moradabad Jn.	0 7 11	do.	
		Dhampur	0 8 5	do.	
		Balawali	0 8 10	do.	
		Tundla	0 5 9	do.	
Sand. p.	Sawai	Shikohabad	0 4 11	do.	
		Makhanpur	0 4 9	do.	
		Firozabad	0 4 8	do.	
		Harongan	0 4 7	do.	
		Sasni	0 5 2	do.	
		Bahjoi	0 6 6	do.	
		Moradabad Jn.	0 7 3	do.	
		Dhampur	0 7 8	do.	
		Belawali	0 8 4	do.	
		Tundla	0 4 7	do.	
Ballast	Nivari	Lucknow	0 5 9	do.	
	do.	Chakeri	0 5 1	do.	
	do.	Sarsaul	0 5 1	do.	
	Nivari	Barrajpur	0 5 5	do.	
	do.	Mandhana	0 5 5	do.	
Rubber or synthetic rubber manu-factured. Includes Gloves, Rubber, Rubber mats, etc.	Bansabati	Lucknow	2 15 5	W/270; L.	
	do.	Delhi	4 3 6	do.	
Leather refuse (unserviceable for use as leathers).	Agra Cantt.	Howrah	0 13 3	OR; W/350; L.	
	Yamuna Bridge	do.	0 13 2	do.	
	Kanpur C.G.S.	do.	0 11 2	do.	

Commodity.	Station from	Station to	Spl. rate per maund	Condition	Remarks.
Paints, Div. 'A'.	Naihati	Bombay	2 14 11	OR; W/400; L.	
Paints, Div. 'B',	Naihati	Bombay	2 12 9	do.	
Paints, non-dangerous.	Naihati	Bombay	2 12 9	do.	
Paints, Div. 'A'.	Rishra (from Alkali & Chemical Corporation of India Limited's Siding):	do.	2 14 8	do.	
Paints, Div. 'B'.	do.	do.	2 12 7	do.	
Paints, non-dangerous.	do.	do.	2 12 7	do.	
Road surface dressings, composed mainly of creosote, petroleum residue pitch or tar oil, N.O.C.	Howrah	Hardwar	1 5 7	OR; CC; L in tank wagons and OR; W/400; L in tins, drums or barrels.	

GROUP B — CASES OF REDUCTIONS IN CLASSIFIED RATES FOR PARTICULAR COMMODITIES.

Commodity.	Classification previously in force.	Reduced classification.
Leather refuse (serviceable for use as leather).	3 RR	2 RR
Linoleum	12 RR	10 RR
Tin plate Scrap	3 RR	1 RR

ANNEXURE II. to reply to Question 28.

Group A.—Instances of requests for reductions in station-to-station rates not acceded to.

Commodity	Station from	Station to	Reasons for not granting station-to-station rates
Mica Scrap	Jhajha	K. P. Docks (For shipment)	Formerly Mica waste and Mica powder were being charged as for Mica. As the IRCA notified separate lower classification for these commodities no station-to-station rate was quoted.
do	Gujhandi	do	
Mica powder	Kodarma	K. P. Docks	
Mica	Simultala	K. P. Docks	As no special rate is quoted for this commodity from other important booking stations the request for reduction was not acceded to.
Lead, pig	North Tundoo Siding, Katrasgarh.	Bombay Howrah	Enquiries showed that traffic could very well bear the ordinary tariff rate.
Graphite	Daltonganj	Howrah	do
	Latehar	do	
Bauxite Ore	Tori	K. P. Docks (For shipment)	Enquiries showed that traffic could very well bear the ordinary tariff rate.
	Katni-Murwara	Sodepore	
	Niwar	do	
	Richughuta	K. P. Docks (For shipment)	
do	Niwar	Kumardubi Siding.	do
Rosin	Rishikesh	Howrah	do
	do	Madras	do
Turpentine oil or Spirits of p; d.	Dehra Dun	Howrah	Traffic from other station was freely moving at ordinary tariff rate.
	do	Madras	
	Clutterbuckganj	K. P. Docks (For shipment)	
Rosin	Clutterbuckganj	Tittaghur	do
		Kankinara	do
Empty tins used and old.	Howrah	Rajpura	The existing rate is already on a low basis.
Fireclay	Katihar	Howrah	The existing wagon load scale WL/C is already quoted on a low basis.
	Daltonganj	do	
Hemp	Shiupur	K. P. Docks	Lack of adequate justification for reduction.
Soapstone powder	Jubbulpore	All Stations on E. Railway.	Existing wagon load scale WL/C is already on a low basis.
Jagree, Gur and Khandsari	Gaya	Masodha (For traffic to KLSM Siding).	Traffic is freely moving between other points at ordinary tariff rate and the existing wagon load scale is already on a low basis.
	Palmerganj		
	Nabinagar		
	Jehanabad		
	Behea		
	Sasaram		
	Shahganj		
	Banaras etc.		
Sugar	Masodha (For traffic from KLSM Siding).	Bhusawal, Malkapur, Shegaon, Akola etc.	Traffic in Sugar from other Mills is freely moving at ordinary tariff rate.
Rock Phosphate	Howrah	Delhi Kishanganj	The geographical disadvantage of the Delhi concern compared to other manufacturers cannot be nullified by the manipulation of the freight rates.
Super Phosphate	Rishra	Serampore	Traffic from other Superphoshate factories was freely moving at the existing wagon load scale rate.

Commodity	Station from	Station to	Reasons for not granting station-to-station rates
Gunnies	Howrah	Morena	Meagre prospect of traffic.
do	do	Mandi Dabwali	No prospect of additional revenue.
Jute twine	Howrah	Bhadohi	Quotation of special rate for finished commodity would mean that it could move at a lower rate than the raw material jute.
Dry cattle and their calves	Hooghly	Up-country stations for grazing purposes.	There is already a concessional rate from a nearby station *viz.* Sheoraphuli.
Gunnies	Chitpur	Madras	Traffic by rail is occasional and meagre and there was no prospect of development.
Limestone	Ray	Khalari	No immediate prospect of traffic.
Limestone	Harrawala & Dehra Dun	Daurala	The lead over E. I. Railway was very small.
do	Jhajha	Howrah	The existing rate is already on a low basis.
do	Katni Murwara	Colgonj	Party failed to prove by facts and figures that the traffic cannot bear the ordinary tariff rate.
Limestone	Shankargarh Lohgara Bargarh, Katni-Murwara etc.	Howrah	do. do.
do	Dehra Dun	Doiwala	Existing rate is already on a low basis.
Lime & limestone	do	Dhanbad	Adequate justification for reduction in rate was lacking.
do	Naihar	Kulti & Burnco Siding.	Traffic to other Iron and Steel industries was freely moving at the existing wagon load scale rate.
do	Richughuta	Howrah Ondal Raniganj Asansol Sitarampur etc.	Existing wagon load scale is already on a low basis.
do	Latehar & Daltonganj	Howrah	do.
do	Ray	Tatanagar Bisco & Kulti	do.
do	Akaltara	do	Quality of limestone at Akaltara is of inferior variety and the steel industries were not in favour of drawing supply from this station.
Limestone	Maihar	Batanagar	Supplies from nearer sources were available and geographical disadvantage could not be nullified by quotation of reduced rates.
Lime & Limestone	Ranchi Road	Station on the E. I. Railway.	No proper justification was made out by the party for reduction in rate.
Lime & limestone.	Akaltara	Howrah Punjab Line	The existing rate is already on a low basis.
do.	Katni-Murwara	Harangan	Other special rates from GIP Railway were cancelled.

Commodity	Station from	Station to	Reasons for not granting station-to-station rates
Lime & Limestone.	Ramkistopur Shalimar Branch.	Paharpur Siding King George's Docks	Casual traffic.
do.	Dehra Dun	Saharanpur	The existing rate is already on a low basis.
Gunnies	Muktapur	Dalmianagar Siding	The ex-O.T. Railway did not agree to reduction in rate
Acid, Hydrochloric	Delhi	Howrah	There is no market in Bengal for consumption of adequate quantity of Hydrochloric acid. Compared with the rate for Sulphuric acid the rates for Hydrochloric acid are in favour of the latter.
Sulphuric acid	Dalmianagar siding	do.	Meagre traffic. Wholesale price in sulphuric acid has gone up 50%. Little demand in Calcutta Market.
Liquid chlorine	ACCI Siding (Rishra)	Bombay	Lead over this Railway is short.
Liquified chlorine	do.	Orient Paper Mill Siding. Ib.	Traffic freely moving at ordinary tariff rate between other points.
Aluminium sheets & circles	Wadi Bunder	Belur	Lack of prospect of traffic.
do.	Howrah Saheb Bazar Sealdah Bally	Bombay & Madras	The remedy lies in adequate allotment of wagons and not in reduction in rates.
Dry batteries	Chitpur	Allahabad & Delhi	Lack of commercial justification.
Spelter	K.P. Docks	Sitarampur	do. do.
Iron or Steel Div. 'B'	Calcutta	Haibargaon	do. do.
Iron or Steel Divn. B. (For C.I. Pipes only)	Kulti	Ahmedabad	The rate from Bisco was under the considera- of the Railway Rates Tribunal.
Cast Iron Pipes	do.	Chandni	Meagre traffic.
do.	do.	Delhi	do.
Iron or Steel Div. B.	SCOB	Dasuya Kalka Naw-ashahr Doaba	No rate quoted from Tatanagar.
do. (for M.S. Rods only)	do.	Anandpur Sahib	Ordinary rate between these points is lower than the special rate from Tatanagar.
Iron Rails	do.	Degana	No special rates exist from Tatanagar.
Iron or Steel Divn. B	SCOB	Gorakhpur Jaunpur Borawar	Existing rates lower than those in force from Tatanagar.
Iron or Steel Divn. C	SCOB	Ballygunj Dum Dum Cantt	do. do.
Machinery other than electrical (for Ring Spinning Frame).	Belgharia	Bombay, Rayapuram, Madura Coimbatore etc.	Lack of economic justification.
Pulp Boards, N.O.C.	Dalmianagar Siding	Howrah, Delhi Madras Bombay etc.	Increase in rate is lower compared to the increase in the operating costs of Railways.

Commodity	Station from	Station to	Reasons for not granting station-to-station rates
Straw Boards & other Boards	Saharanpur	Ahmedabad Howrah	Traffic moving between other points at ordinary tariff rate as adequate justification for special rate was not made out.
Rosin and Turpentine.	Rishikesh	Howrah, Madras	The applicant was at a much advantageous position compared to a firm at Hoshiarpur.
Resin, Rosin and Turpentine	Dehra Dun	Madras Bombay and Howrah	Lack of adequate justification.
Rosin	Clutterbuckganj	Tittaghur Kankinara	The gradual increase in volume of traffic indicated that the existing rates were not hampering the movement.
Rosin and Turpentine	do.	Howrah Bombay Madras	Traffic from other producing stations is moving at ordinary tariff rate.
Resin	do.	K.P. Docks	
Stone chips	Pakur quarry Sdg	Berhampur Court Beldanga and other SDA Divn Stations	The existing wagon load scale is already on a low basis.
do.	Pakur	Konnagar	do. do.
Ballast	Sheikhpura Jamuawan	Baghi Bardih	do. do.
do.	Delhi	Etawah	do. do.
Stone chips	Pakur	Muzaffarpur	do. do.
do.	Jamooee	do.	do. do.
Sand	do.	do.	do. do.
do.	Kiul	do.	do. do.
do.	Kiul Sand Sdg Luckeesarai	Barh	do. do.
do.	Son Nagar	Lucknow Kanpur Howrah	do. do.
do.	Luckeesarai (For traffic from Kiul Sand Siding)	Patna City	do. do.
do.	do.	Monghyr	do. do.
do.	Churulia	Dum Dum Air Port Siding	do. do.
do.	Shankargarh	Howrah Sodepore Bhurkunda	do. do.
do.	Bargarh	do.	do. do.
do.	Dabhaura	do.	do. do.
Sand	Kiul	Sahibganj Pirpainti Mirzachouk Sultanganj etc	Traffic freely moving from Kiul and other stations at ordinary tariff rate. Rly. cannot nullify geographical disadvantage.

Commodity	Station from	Station to	Reasons for not granting station-to-station rates
Sand	Nagra	Calcutta Builders' Stores Ltd Siding, Shalimar	Existing wagon load scale is already on a lower basis.
do.	Pundooah	do.	do. do.
do.	Magra	Chitpur	do. do.
do.	Saktigarh Oyaria Durgapur Katwa	Howrah	Traffic freely moving at ordinary tariff rate. Prospect of traffic from Katwa was negligible.
do.	Luckeesarai	Patna City Patna Jn.	Ordinary rate is on a low basis.
Gypsum	Dandot	Chitpur	Margin of difference between the ordinary tariff rate and the rate at 20 pie per md, per mile over the I.G. Rly. and full tariff rate over N.W. (P) Rly. was very small.
do.	Rishikesh	Japla Dehri-on-Sone Howrah Jhajha Khalari	The existing wagon load scale is already on a low basis.
do.	Badwasi	Buxar Chausa Dumraon	Lack of adequate justification.
do.	do.	Jhinkpani Khalari	
Sand	Sainthia	Howrah	Existing wagon load scale is already on a low basis.
Tar	Lodna	Madras Bombay Delhi Poona	The existing wagon load rate for this commodity is on a low basis.
Betel nuts	Karimganj	Calcutta	Enquiries showed that traffic could well bear the ordinary tariff rate as the freight incidence was small.
Sulphur	Howrah	Delhi	This is an imported commodity and the traffic was allowed to move from Bombay from where there was a special rate.
Gunnies	Howrah	Delhi	Fairly large volume of traffic was moving freely at the ordinary tariff rate.
Bonemeal	Hapur	Madras, Cochin Harbour terminus & Coimbatore	Meagre traffic was offered. Moreover, the traffic was well able to bear the ordinary tariff rate.
Salt, N.O.C.	Chitpur	Raxaul	The wagon load scale WL/I was already fixed on a very low basis and there was very small increase in rates over such long distance, being telescopic in character.
	Wadi-Bunder & Mira Rd.	Wari-Baliganj & Nawadah.	Already quoted on a very low basis (WL/1).

Commodity	Station from	Station to	Reasons for not granting station-to-station rates
Sheet Glass	Bhurkunda	Bombay, Cochin, Madras, Calcutta, Delhi	A protective duty of 47½% *ad valorem* was, at that time, in force in favour of indigenous manufacture. Party was, therefore, asked to prove the then ordinary tariff rates unreasonable taking into consideration the above protective duty.
Paints-Div. A Paints Div. B Paints-non-dangerous.	Rishra (Alkali Chemical)	Madras	Southern and old B.N. Railway did not propose to quote any special rate for this non-preferential traffic which moved within the quota allotted for stations *via* Waltair.
Paints-Div. A Paints-Div. B Paints-non-dangerous.	do.	Kanpur	No special rate was quoted in order to maintain equity in rates from other centres of manufacture.
Zinc, white or Oxide of Zinc.	Howrah	Bombay	In view of operating difficulties prevalent at that time *via* Nagpur this Railway was not in favour of diverting this traffic by rail by quotation of reduced rates in competition with the sea route.
Banana	Chandernagar.		The wagon load scale quoted for this traffic was based on a low basis and as such no reduction was made.
Water melons.	Farrukhabad.	Howrah, Aligarh, Agra, Delhi	do. do.
Timber, N.O.C.	Plassey Lalgola Lalgola Ghat Berhampore Court Rejinagar Krishnapur Bhabta Beldanga Bhagwangola Jiaganj Murshidabad Cossimbazar	Calcutta	The then wagon load scale rate, viz., WL/E, was quoted on a low basis.
Bidi Tobacco	Niphani O/A	Memari	Lack of adequate justification.
Boots and shoes do. do.	Batanagar do. do.	Bombay (via CP & NGP) Delhi (via MGS) Madras (via CP & WAT)	Freight incidence was too small.
Match wood (as Timber N.O.C.)	Howrah	Gwalior	No facts and figures were produced to prove that the prevailing rate of freight was too high. Meagre prospect of traffic.
Timber N.O.C.	Chanpatia Bethia Mothihari Jiudhara and other stations of N.E. Rly. (Ex. O. T.)	Ultadanga	The then wagon load scale viz., WL/E, was quoted on a low basis.

PART II

Q 1 (a). On a scrutiny of the booking documents at a few important stations on this Railway over a period of about three months, it is estimated that approximately 30% of the total traffic is being booked at Owner's Risk Rates and 70% at Railway Risk Rates.

(b) As stated above, about 70% of the traffic is being booked at Railway Risk Rates. But such bookings at Railway Risk cover not only the commodities for which alternative Railway Risk and Owner's Risk rates are quoted but also the commodites for which only Railway Risk rates are provided. The break-down figures of traffic for the two different groups of commodites are not readily available. However, from a rapid survey of the booking documents, it has been found that the traders prefer to book the following items of traffic at Railway Risk rates generally:

Acid Sulphuric	Bleaching powder
Acid acetic	Bell metal ware
Aluminiumware	Brassware
Agricultural implements (power operated)	Brake fluid
	Blankets, woollen
	Blankets, cotton
Ammonia in solution	Benzene
Asbestos Cement products	Bitumen
Cement Castings	
Chemical manures	Denatured spirit
C.P. Goods, press-packed	Distilled water
Copperware	Diesel Oil
Colours & dyes. Div. 'B'	
Colours, dry	
Condensed milk	
Creosote Oil	
Country Spirit.	
Enamelled ware	Glass Chimneys & phials
Electrical appliances and fitting, Divns. 'A' 'B' and 'C'	Glycerine Crude
Earthenware, N.O.C.	Glucose
Ether	
Hair Oil	Ink in phial
H.G.M. Oil	Insecticides, N.O.C.
Hosiery Goods (not press packed)	
Lanterns, brass	Machinery, other than electrical
Linseed Oil	Milk powder in tins
	Motor vehicles
	Metal polish
	Matches, safety
Nickelware	Mosaic tiles
Oils Div. 'D'	
Paints below 200°F	Resin
Paraffin liquid	Refrigerator
Petrol	Rose water
Spirit methyl	Tar
Soda ash	Turpentine oil
Slate, pencil	Tobacco, maunfactured
State, writing	
Stainless steelware	Tinnedware
Spirits, wines and Cordials	
Varnish N.O.C.	Wood preservatives
Vermillion	Yarn cotton
Vinegar	

(c) This Railway is not aware of any change in practice as compared with the pre-war period.

Q: 4 (a). No commodity statistics were maintained indicating the fluctuations for the period prior to September 1951. Hence the figure has not been included. Figures for 1952-53 to 1954-55 of the four divisions (Sealdah, Howrah, Asansol and Dinapore) of the former Eastern Railway as well as the figures for the period September 1951 to March 1952 of the financial year 1951-52 relating to the *ex.* E. I. Railway consisting of the seven divisions (Sealdah, Howrah, Asansol, Dinapore, Allahabad, Lucknow and Moradabad) are indicated as Annexure 'A'. Though no commodity statistics are available to indicate whether there has been an increase in the payment of compensation claims by this Railway after the last war, cause-wise analysis of payment of claims from 1940-41 to 1954-55 vide annexures (B1, B2 & B3) indicates that there has been a general increase in the payment of claims from 1947-48 and this increase was accelerated from 1948-49. Annexure B-1 is a record of payment cause-wise from the financial year 1940-41 to 1946-47. Upto 15th August 1947 these figures relate to divisions of Howrah, Asansol, Dinapore Allahabad, Lucknow and Moradabad of the former E. I. Railway. From August 1947 upto regrouping in 1952-53 the divisions of Sealdah, Howrah, Asansol, Dinapore, Allahabad, Lucknow and Moradabad comprised the former E.I. Railway. The figures for this period are indicated vide Annexure B-2. From 1952-53 upto 1954-55 only the four lower divisions of Sealdah, Howrah, Asansol and Dinapore are included as the ex. E. I. Railway portion of the old Eastern Railway. Figures in this respect are indicated in Annexure B-3.

(b) Statistics on these lines are not available.

Q: 5 (a). A statement (Annexures B-1, B-2 & B-3) showing the quantum of claims payment cause-wise and year-wise for the period 1940-41 to 1954-55 is enclosed.

(b). No statistics are maintained indicating the breakdown of the value of claims preferred cause-wise.

(c) In this regard also no statistics indicating the value of claims rejected cause-wise are maintained.

Q: 6. The following are the principal commodities involved in repudiation:—

Cereals	Cigarettes/Bidies
Piece-goods	Perishables
Oil seeds	Spices
Ghee & oil	Leather goods
Jute	Cycle parts & motor parts
Iron/Machinery parts.	Cement

In regard to the value of claims preferred in respect of each of these commodities, no such statistics are maintained.

Q: 20. If Railway is treated as a common carrier, the railways can only repudiate claims in cases of act of God, war or act of King's enemies, act of omission of the trader, his servant or agent, inherent liability to wastage or inherent defect, vice or natural deterioration of the commodities, casuality including fire or explosion. In respect of claims due to other causes, the Railway as a common carrier will have to honour the claims. During the year 1954-55 payment has bean made in respect of 45% of the total number of claims preferred. The total payment effected on claims during the year 1954-55 is Rs. 51,06,630. In case this Railway becomes a common carrier, only 10% of the overall number of claims can be rejected on account of non-liability due to the factors indicated above. In other words 90% of the total number of claims preferred will be admitted. The total additional payment therefore that will have to be estimated if the Railway is treated as a common carrier is Rs. 51,06, 630 representing an additional 45% of the number of claims preferred on the basis of the payment effected for the year 1954-55. The 10% of the number of claims that will continue to be rejected under the working of the Railway as a common carrier is purely empirical based on experience.

Regarding the figures separately for Running Train Theft and other causes for which payments will have to be made if Railway becomes a common carrier, such breakdown connot be furnished since statistics on the basis of isolation of Running Train Theft and other causes for rejected claims is not maintained. Regarding the commodities where the incidence of Runing Train Theft is particularly high, it is noticed that the following commodities figure prominently in regard to Running Train Theft:—

(a) Piece-goods.
(b) Shoes.
(c) Rubber goods.
(d) Cigarettes & Tobacco.
(e) Tea
(f) Ingots.

सत्यमेव जयते

ANNEXURE "A" To Reply to Question 4(a)

Statement showing the number of claims settled and amount paid commodity—wise during the period September, 1951 to March, 1952 of the financial year 1951—52 for the 7 Divisions (Sealdah, Howrah, Asansol, Dinapore, Allahabad, Lucknow and Mordabad) of the former East Indian Railway and 1952—53, 1954—55 for the 4 Divisions (Sealdah, Howrah, Asansol and Dinapore) of the former Eastern Railway.

Commodity.	1951—52 Sept. '51 to Mar. '52		1952—53		1953—54		1954—55	
	Number.	Amount. Rs.	Number.	Amount. Rs.	Number.	Amount. Rs.	Number.	Amount. Rs.
Cereals	2,793	5,79,869	2,031	5,50,900	3,635	7,16,419	3,175	5,17,432
Piece-goods	1,423	6,42,695	1,047	6,65,404	1,205	7,80,569	1,083	5,93,658
Sugar	1,473	3,30,270	2,679	5,87,151	4,023	6,72,846	2,746	4,49,663
Oil Seeds	906	1,72,536	1,445	2,77,196	1,659	2,12,916	2,021	2,48,268
Ghee/Oil	520	1,20,037	770	2,79,079	563	1,28,090	564	1,51,295
Tea	1,130	2,43,775	3,517	8,18,230	3,175	9,35,628	3,682	8,77,860
Jute	357	1,57,052	1,993	6,10,115	2,900	6,88,036	1,589	3,64,279
Iron/Machinery parts	983	2,80,424	926	2,29,573	1,158	2,66,190	1,202	2,99,919
Cigarettes/Biddies.	713	1,64,911	624	2,37,454	271	1,04,873	147	82,114
Shoes	744	1,28,525	566	77,528	244	83,215	335	68,902
Perishables ...	2,816	3,32,667	1,552	2,14,274	1,104	1,00,759	1,356	1,00,901
Spices	333	71,053	724	2,60,143	626	1,29,878	821	1,27,084
Medicines	162	31,075	321	65,694	165	25,376	196	29,958
Soap	116	15,577	253	23,582	171	28,883	158	17,588
Stationery ...	128	27,227	385	74,550	478	47,798	432	48,586
Wine	44	4,010	203	38,348	76	13,429	64	8,946
Brasswares	111	10,945	306	51,424	144	33,649	175	37,555
Leather goods	68	26,004	531	1,50,506	470	74,681	532	96,172
Electrical goods	...	...	124	17,049	110	13,126	52	10,744
Glasses	...	...	75	6,750	33	2,040	35	2,511
Cycle parts & motor accessories	...	...	210	47,862	196	62,663	218	52,212
Betel-nuts	...	...	32	3,906	127	18,320	111	18,928
Betel-leaves	...	...	39	6,863	54	4,965	70	5,493
Tobacco	...	...	53	59,743	257	1,39,826	324	2,18,452
Cement	...	...	7	876	133	18,130	251	21,649
Fruits	...	...	68	17,277	429	35,542	779	57,733
Lac	...	...	...	...	...	...	35	9,525
Mica	...	...	...	...	...	...	1	1,478
Miscellaneous goods	3,535	7,14,109	1,942	4,06,876	3,837	7,04,493	4,059	5,81,249
Total	18,355	40,52,761	22,323	56,78,403	27,243	60,41,340	26,213	51,03,154

ANNEXURE 'B—I' to reply to Q: 4(a)

OLD EAST INDIAN RAILWAY

Amount of compensation claims paid in respect of the following causes from 1940–41 to 1946–47.

Causes.	1940—41		1941—42		1942—43		1943—44		1944—45		1945—46		1946—47	
	Amount	PC	Amount	PC	Amount	PC	Amount	PC	Amount	PC	Amount	PC	Amount	PC
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.	
1. Theft and pilferage.	21,338	13	29,199	11	34,105	6	2,40,433	12	89,178	3	1,41,590	5	65,133	2·20
2. Misdespatch.	9,851	6	19,431	7	29,584	5	42,157	2	48,893	1	1,34,814	4	96,582	3·20
3. Delay in transit.	7,744	5	4,183	2	6,421	3	13,919	1	35,570	1	64,302	2	61,793	2·27
4. Rough shunting and rough handling.	3,644	3	9,763	3	3,348	1	1,440	0	1,704	0	12,808	1	1,343	·04
5. Leakage and damage due to wet.	20,739	12	34,404	13	29,069	6	26,422	1	15,477	1	29,738	1	17,089	·57
6. Exchange.	12,000	8	17,990	8	12,937	2	23,073	1	21,002	1	20,307	1	11,673	·30
7. Short loading.	10,751	6	15,166	7	17,981	3	42,180	2	15,130	1	33,566	2	29,304	1·0
8. Non-delivery by Foreign Railway.	—		...		...		...		...		...		...	
9. Fire.	—		...		...		...		...		...		...	
10. Miscellaneous loss.	76,497	47	1,22,311	49	3,63,818	74	15,64,057	81	29,97,678	92	24,70,413	84	26,73,116	90·42
Total:	1,62,504		2,52,447		4,97,263		19,52,680		32,24,632		29,07,538		29,56,033	
Running Train Theft.	2,232		2,788		2,502		4,103		4,266		16,558		5,064	

Note: These figures relate to six Divisions of Howrah, Asansol, Dinapore, Allahabad, Lucknow and Moradabad of former E. I. Railway.

ANNEXURE B-2 — to reply to Q: 4-a.

OLD EAST INDIAN RAILWAY.

Amount of compensation claims paid in respect of the following causes from 1947—48 to 1951—52.

Causes.	1947—48		1948—49		1949—50		1950—51		1951—52	
	Amount Rs.	P. C.	Amount Rs.	P. C.	Amount Rs.	P. C.	Amount Rs.	P. C.	Amount Rs.	P. C.
1. Theft and pilferage	4,22,948	10·06	4,61,657	5·65	6,11,187	4·61	7,28,655	6·88	33,01,875	40·25
2. Misdespatch	2,28,906	5·77	5,29,093	6·48	9,15,746	6·85	2,77,585	2·63	4,34,487	5·32
3. Delay in transit	80,809	2·69	54,096	·66	74,496	·56	38,121	·36	...	...
4. Rough shunting and rough handling	1,839	·04	492	·04	4,108	·03	5,125	·09	...	...
5. Leakage and damage due to wet	90,775	2·29	66,220	·81	8,05,160	6·12	7,02,303	6.64	13,34,798	16·16
6. Exchange	18,950	·47	12,331	·15	37,438	·28	25,478	·24	1,62,312	1·98
7. Short loading	25,435	·64	68,258	·83	3,02,123	2·35	1,54,725	1·48	...	...
8. Non-delivery by Foreign Railway	1,43,025	3·61	2,20,624	2·70	3,06,868	2·47	2,94,382	2·00	...	...
9. Fire	...	...	62	·00	275	·00	6,166	·06	23,261	·26
10. Miscellaneous Loss	29,48,636	74·43	67,46,079	82·68	100,84,832	76·73	83,54,972	79·61	29,50,355	36·03
Total	39,61,323		81,58,912		131,42,233		105,87,507		82,07,088	
Running Train Theft	988		1,292		19,860		85,381		3,45,919	

Note:—These figures relate to the seven Divisions of Seaildah, Howrah, Asansol, Dinapore, Alllahabad, Lucknow and Moradabad of former East Indian Railway.

ANNEXURE B. 3. to reply to Q: 4 (a)

FORMER EASTERN RAILWAY.

Amount of compensation claims paid in respect of the following causes from 1952–53 to 1954–55.

Causes.		1952—53		1953—54		1954—55	
		Amount Rs.	Per cent.	Amount Rs.	Per cent	Amount Rs.	Per cent.
1. Theft and pilferage	...	30,66,580	53·00	28,72,642	47·82	24,35,250	47·15
2. Misdespatch	...	3,40,191	6·02	1,96,504	3·25	1,78,031	3·54
3. Delay in transit	...	...	...	...	...	15,784	·30
4. Rough shunting and rough handling	...	...	...	...	...	...	...
5. Leakage and damage due to wet	...	10,73,729	20·63	13,62,025	22·59	10,76,146	20·92
6. Exchange	...	1,28,473	2·21	65,823	1·81	17,686	1·32
7. Short loading	...	...	...	...	...	72,586	1·04
8. Non-delivery by Foreign Railway	...	...	...	...	...	2,21,872	4·21
9. Fire	...	10,639	·10	91	·00	20,792	·40
10. Miscellaneous Loss	...	10,66,439	18·04	15,48,947	24·62	10,68,4 2	21·12
Total :	...	56,86,051		60,46,032		51,06,629	...
Running Train theft :	...	3,53,795		2,42,131		2,33,449	

Note: These figures relate to 4 lower Divisions of Sealdah, Howrah, Asansol and Dinapore of the former Eastern Railway.

Northern Railway,

Delhi.

PART I-A

Q: 27. Short distance charge has been waived by this Railway only in case of lump-sum wagon rates for sugarcane quoted for Sugar Mills. These are based on the old second class rates in force prior to 1st April, 55, plus full terminals.

No request for the waival of this charge on any other traffic was received by this Railway during the 3 years ending 1954-55.

PART II

Q: 1. (a) Separate statistics for Railway Risk and Owner's Risk bookings are not being maintained. Special investigations were, however, carried out in respect of certain commodities and the results are shown in the attached statement.

(b) The traders generally prefer to book the following commodities at the Railway Risk Rates where alternative Owner's Risk Rates are available.

	R.R.	O.R.
1. Piece goods cotton, woollen or artificial silk, with or without common metal, brass or tinsel, thread edging, false or imitation lace, in bales, press packed or packed in boxes or cases and all handloom products including "Khaddar" not press packed. P/25	10	9
2. Piece goods cotton, woollen or artificial silk, with or without common metal, brass or tinsel thread edging, false or imitation lace, not press packed or not packed in boxes or cases. P/25	13	12
3. Electrical appliances and fittings Division-C.	7	5
4. Machinery, other than electrical.	6	4
5. Paints, having a flash point below 200° F. Division D.	7	5

(c) No appreciable change of practice in this perceptible during the Post-War period.

Statement showing yearly booking of traffic at Railway Risk and Owner's Risk Rates separately in respect of certain selected commodities.

	R.R.	O.R.
1. Ale and beer in bottles or jars	1145	14219
2. Ghee	2689	4038
3. Spirits, wines and cordials country (below 50° having a flashing point below 76° F.) p.d.	5629	17760
4. Turpentine, oil or spirits of p.d.	3712	35745
5. Power alcohol ...	47952	169462
6. Power alcohol mixture ...	—	24950
7. Wines, non-alchoholic ...	2997	133
8. Piece goods cotton, woollen or Artificial, with or without common metal, brass or tinsel thread edging false or imitation lace, in bales, press packed or packed in boxes or cases and all handloom products including "Khaddar" not press packed. P/25 ...	270720	148536
9. Piecegoods cotton, woollen or artificial silk, with or without common metal, brass or tinsel thread edging, false or imitation lace, not press packed or not packed in boxes or cases. P/25	13672	912
3. Electrical appliances and fittings Division-C. ...	14136	612
4. Machinery, other than electrical	27768	24840
5. Paints, having a flash point below 200° F but not below 90° F.-Division B d. ...	19560	10920

Q: 4 (a). The ex E.P. Railway was formed with effect from 15-8-47. Consequently the amounts paid as compensation in settlement of claims prior to the last war are not available in this office.

The figures of amounts paid in settlement of claims by all the integrated parts of the Northern Railway viz., *ex* Bikaner, *ex* Jodhpur, *ex* E.P. Railways and Allahabad, Moradabad and Lucknow Divisions of the *ex* E.I. Railway are available with effect from the year 1951-52 only and the same are given in the table below :—

Year	Amounts paid in settlement of claims
1951-52	38,63,062
1952-53	40,22,921
1953-54	37,46,113
1954-55	35,54,075

The above table shows that there has been a steady decrease in the payment of compensation claims with effect from the year 1952-53 over this railway.

(b) In view of reply to part (a) above the question does not arise.

Q: 5 (a). The amount of compensation paid in settlement of claims due to the following causes during the years 1953-54

and 1954-55 is indicated against each together with its percentage to the total amount paid in settlement during the aforesaid years:—

S. No.	Causes	Amount paid 1953—54	Amount paid 1954—55	Peccentage to the Total amount paid 1953—54	Peccentage to the Total amount paid 1954—54
		Rs.	Rs.		
1.	Thefts & pilferages ...	20,56,650	22,53,732	54.8	63.2
2.	Misdespatch ...	1,66,667	1,36,660	4.5	3.8
3.	Deterioration due to delay in transit ...	61,435	1,07,476	1.6	3.1
4.	Fall in prices owing to delay in transit ...	Such statistics are not being maintainad			
5.	Damage to consignment due to rough shunting & rough handling ...	1,00,979	65,432	2.8	1.8
6.	Leakage & damage to wet ...	1,92,267	1,64,407	5.1	4.6
7.	Any other well-defined causes e.g. Exchange, short loading, fire and non-delivery by foreign railway and miscellaneous loss etc. etc. ...	1,16,811	8,29,879	31.2	23.5

(b) Statistics showing the value of claims preferred during the years 1953-54 and 1954-55 are not being maintained.

As regards the amount paid in settlement of claims during the years 1953-54 and 1954-55 attention is invited to reply to Q: 4 (a) above.

(c) Such statistics are not being maintained.

Q: 6. Statistics on claims repudiated basis are being maintained with effect from April, 1955 only. The Principal commodities generally involved in such claims are:—

1. C. P. & Woollen goods.
2. Chemicals.
3. Grains.
4. Betel leaves.
5. Machinery and Metal.
6. Sugar.
7. Perishables.
8. Bidies.
9. Spices.
10. Silken Goods.

The statistics regarding value of claims preferred in respect of the aforesaid commodities are not being maintained.

Q: 20. As already stated in reply to Q: 6 statistics showing the value of claims rejected are not being maintained. Consequently it is not possible to give a rough estimate of the additional amount that will have to be paid if railways are treated as common carriers. The following table, however, gives the number of claims settled by payment as well as that repudiated together with the percentage of each year during the period 1951-52 to 1954-55:—

Years	No. of cases settled by payment	No. of cases repudiated	Percentage of cases repudiated to total No. of case disposed of
1951–52	27282	36807	70 6
1952–53	26151	36171	72.3
1953–54	25219	33439	75.9
1954–55	24528	34405	71.0

If liability of railways is enhanced to that of common carriers, the quantum of compensation will obviously increase proportionately.

The incidence of running train thefts is not high.

North Eastern Railway,

Gorakhpur.

PART I-A

Q: 27. So far as this Railway is concerned, during the period in question, the levy of 'short distance charge' was waived in full in the case of traffic in sugarcane generally when booked in wagon loads, at O. R. in local booking on and from 12th October 1953 in consideration of the fact that the enhancements made in the basis

rates were, by themselves, steep. Had the short distance charge been levied in this case, in addition, the freight burden would have been unduly heavy for the sugar industry to bear.

This Railway did not receive any other request for waival of 'short distance' charge during the three years ending 1954-55.

Q: 28. The following is a summary of the number of requests from the public for quotation of station-to-station rates or for reduction of rates for particular commodities received by this Railway since 1948-49. The number of the requests that had been met is also shown in juxtaposition.

Year	No. of requests received	No. of requests met.
1948—49	10	8
1949—50	8	1
1950—51	6	Nil.
1951—52	2	Nil.
1952—53	9	4
1953—54	3	Nil.
1954—55	3	1

Brief particulars in respect of the instancs of requests that had not been granted together with the reasons for refusal in each case are furnished in the annexed statement.

Statement showing requests for quotation of Station-to-station rates that were not granted

(Q: 28 — Part I-A)

Brief Particulars of case	Reasons for refusal
1	2
1948—49	
1. M/s Rohtas Industries Ltd. 9, Dalhousie Square(East)Calcutta applied for special rate for gunny bags Ex. Muktapur to Dalmianagar Sdg. *via* MKG as the revision of the classification for gunnies on and from 1—10—48 had rendered the rate almost double.	The enhancement in the classification had rendered the rates for gunnies higher in general and not in the case of despatches ex. Muktapur to Dalmianagar Sdg. only. Since no request of a similar nature was received from any other party, it was considered that the traffic was in a position to bear the revised rates. As such the request of M/s. Rohtas Industries Ltd. was turned down.
2. M/s. S.N. Coomar & Bros. wanted special rates for cane traffic ex. Naojan to Calcutta with a view to competing with that imported into Calcutta from other sources *viz* Singapore etc.	Due to revision of the rates structure by the Railway Board the freight rates in general had undergone a change in the upward direction. The increase in the freight rate was, therefore, nothing special to cane traffic alone. The general increase was necessary on account of the abnormal rise in the transport cost on railways. Hence the request was turned down.
1949—50	
1. The Mahabir Jute Mills Ltd. Sahjanwa requested for quotation of Special rates for gunnies Ex. Sahjanwa to the Industrial centres outside U.P. on the ground that they were unable to compete in those markets owing to the Special rates quoted by E. I. Railway ex. Calcutta Industrial area stations to those destinations.	The Special rates over the E. I. Railway were cancelled and withdrawn with the result that the traffic from both Calcutta and Sahjanwa became chargeable at the 7th class rates. The discrimination having been thus removed, no special rates ex. Sahjanwa were quoted.
2. M/s. Ladhu Ram B. Jain Hardwarimal K. Bhartiya, trustee Sukhanand Trust 113, Bhuleshwar, Bombay requested for Special rates for grass Ex. Raxaul to Sitamarhi, their contention being that the grain rates were lower than the grass rates.	The contention of the party was not correct in as much as the rates for grass per wagon was about half of that for grain. Hence there was no case for a reduction in the rate for grass.
3. M/s. Tittaghar Paper Mills requested for introduction of special rates for bamboo chips for paper making from certain stations on the Assam Railway to Kankinara and Titaghur Paper mills via BGP by the link route with a view to avoid transhipment difficulties in booking via MNG route.	Taking devaluation into account the rates over the E.B. Railway (Pak) became such that there was no appreciable difference between the rates by the all-India rail route via BGP and those by the Indo-Pakistan route. Hence the request was turned down.

Q : 28 — Part I-A — (*contd.*)

Brief Particulars of case	Reasons for Refusal
1	2
4. Assam Chamber of Commerce requested for Special rates for cane from Assam stations to Calcutta so that Assam cane could successfully compete with that imported into Calcutta from other sources.	The investigation revealed that the railway rates were not deterrent to the movement of this traffic and that the movement to Calcutta was affected owing to the imposition of enhanced royalty by the State Government of Assam. The request for quotation of reduced railway rates was therefore, turned down. The Chamber was, however, asked to approach the Assam Government for reduction in royalty by way of further relief.
5. M/s. S.N. Coomar and Bros. requested for Special rates for cane from Assam stations to Calcutta so that Assam cane could successfully compete with that imported into Calcutta from other sources.	The investigation revealed that the railway rates were not deterrent to the movement of this traffic and that the movement to Calcutta was affected owing to the imposition of enhanced royalty by the State Government of Assam. The request for quotation of reduced railway rates was therefore, turned down.
6. M/s. Wood Craft Products Ltd. Calcutta wanted Special rates for soft timber ex. certain stations in Assam to Cooch Behar on the ground that freight charges were equal to the value of the materials, which affected the production cost of tea chests.	Since the rates by the all India rail route were cheaper than those quoted by E.B. Railway route via Mogalhat no reduction could be made.
7. Assam Government complained of the high rates for timber booked from Assam stations to Calcutta due to enhancement of the basis of rates on and from 1—10—48.	The freight rate for timber was enhanced from 1—4—48. Nevertheless the volume of traffic recorded an over-all increase of 6.5% during the period from 1—7—48 to 30—4—49 as compared to the corresponding figures for 10 months prior to the introduction of enhanced rates. The freight rates could not, therefore, be regarded as unduly high.
1950—51	
1. M/s. S.N. Coomar & Bros. complained of the high rates for cane traffic from certain Assam stations to Calcutta via the new Link route in comparison with those quoted prior to 1—10—48 and asked for Special rates for the same.	No reduction in the rates could be made having regard to the increase in the working expenses and the extra mileages over which the traffic was to be hauled by the Link route.
2. M/s. Kashmirilal Sardarilal & Co. Silchar, Assam wanted reduced rate for the 2500 maunds of green Tea ex. Silchar to Amritsar on the ground that the ordinary rate was too high.	As sufficient Tea traffic moved at the normal tariff rates, no special rate could be conceded.
3. Surma Valley Saw Mills, Assam, asked for Spl. rates for Timber ex. Bhanga to certain stations in the Calcutta area on the ground that the rates via the Link route worked out higher than those obtainable by the Str. route.	The wagon load scale of rates for timber being on a very low basis no further reduction in the rates was possible.
4. F.U.O. Assam wanted reduced rates for timber ex. certain Assam stations to the Calcutta area stations on the ground that the rates via the Link route were higher than those available by the Steamer route.	The wagon Load scale of rates for timber being on a very low basis, no further reduction in the rates could be made.
5. M/s. Himatsingka Ltd. Calcutta complained about the rates available by the Link route and stated that they were much higher than those via the Indo-Pak route.	The statistics of traffic from stations in Assam to Calcutta via the Link indicated that the traffic was moving freely at the normal tariff rates. The rates could not, therefore, be regarded as unreasonable per se or unduly high.

Q : 28 — Part I-A—(*contd.*)

Brief Particulars of case	Reasons for Refusal
1	2
6. Request received from M/s. K. S. Producers and Consumers Marketing Society Ltd., Shillong for quotation of a special rate for Potatoes from Shillong to Calcutta on the ground that the rate from Madras to Calcutta was cheaper.	The feasibility of introduction of a reduced rate for potatoes from Shillong to Calcutta by goods trains, was examined in details which revealed that the rate charged per maund by the Assam State Transport for the carriage of potatoes from Shillong to Gauhati for a distance of only 67 miles was Rs. 2/- whereas the rate charged by the Indian Rlys. ex. CHY to Calcutta for a distance of 931 miles was only Rs. 1-10-10 per md. on consignments of potatoes of 400 mds. and over. Since the Railway portion of the rate was very low, there was no scope for further reduction in the rate in view of high operational cost and considerable lead involved.
1951—52	
1. M/s. Morang Sugar Mills wanted special rates for Sugar-cane from certain stations on the Katihar Distt. to Jogbani, stating that all other sugar mills served by stations on the O.T. Zone of this Rly, have been granted such special rates.	The traffic in question was a short-lead one. Besides, the particulars collected revealed that the traffic was able to bear the ordinary tariff rates. Hence the request was turned down.
2. Manager, Rani Tea Estate, Kamrup asked for Special rates for timber ex. Gauhati and Pandu to Calcutta stating that he was a displaced person and was suffering from financial difficulties in despatching forest produce.	The ordinary tariff rates were based on a very low basis. As such no further reduction was possible.
1952—53	
1. M/s. Oudh Sugar Mills Ltd. Hargaon requested for special rates for the movement of press-mud, a sugar factory refuse ex. Hargaon to Lakhimpur Kheri.	Apart from the traffic being a low rated one, the distance between Hargaon and Lakhimpur Kheri was very short (below 20 miles). As such it was not considered desirable to encourage movement of the traffic by introducing reduced rates.
2. The Mahabir Jute Mills Ltd. Sahjanwa applied for Spl. rates for jute ex. Tamkuhi Rd., Biswan, Jarwal Rd. and Mihinpurwa to Sahjanwa on the ground that it would not be possible for them to encourage purchases at those centres if Spl. rates were not allowed.	As the volume of traffic involved was small, no reduced rates were conceded.
3. M/s. Aluminium Corporation of India Ltd., 7, Council House Street Calcutta applied for reduced rates for petroleum coke ex. Digboi to Anupnagar siding, Asansol on the ground that petroleum coke used to be charged as for coal up to 30.6.51 and the provision of a separate classification at 1 RR for the commodity on and from 1.7.51 made tha chargeable rates so high that it was not possible for the traffic to bear the same.	This Railway had sacrificed a large part of its revenues by withdrawing the inflated mileages over certain sections on and from 1-5-52. The benefit of such withdrawal was shared by the traffic in petroleum coke moving *ex.* Digboi to Anupnagar sdg. Asansol as well, the chargeable rate having been reduced by about 22%. In the circumstances, no further reduced rate was granted.
4. M/s. Rampratap Ganapatrai wanted special rate for cane ex. Saikhwaghat to Calcutta by the all-India rail route, complaining of the high rate applicable to this traffic.	There was a considerable reduction in the chargeable rates due to the withdrawal of inflated mileages over certain sections of the PNO region. Hence the request was turned down.
5. M/s. Hanumanbax Swajmull Ltd., Dikom Assam requested for special rates for tea of about 3100 mds. likely to be despatched by rail from different tea gardens to Calcutta.	As the normal tariff rates for tea had already become lower due to abolition of inflated mileages over the Link route, the request was turned down.

Q : 28 — Part I-A—(*contd.*)

Brief Particulars of case	Reasons for Refusal
1	2
1953—54	
1. M/s. Indian Aluminium Co. Ltd., 3, Chowringhee Road, Calcutta 10, applied for reduced rate for petroleum coke ex. Digboi to Muri on the ground that petroleum coke used to be charged as for coal up to 30-6-51 and the provision of a separate classification at 1 RR for the commodity on and from 1.7.51 made the chargeable rates so high that it was not possible for the traffic to bear the same.	This railway had sacrificed a large part of its revenues by withdrawing the inflated mileages over certain sections on and from 1-5-52. The benefit of such withdrawal was shared by the traffic in petroleum coke moving *ex.*, Digboi to Muri as well, the chargeable rate having been reduced by about 22%. In the circumstances, no further reduced rates was granted.
2. Shri K. N. Choudhury, Siliguri, wanted a reduced special flat rate for timber *ex.* Siliguri to Calcutta, Burdwan and Asansol on the ground that the high rates jeopardised his business to a considerable extent.	The rates were already quoted on a very low basis and further reduction in the same was not possible.
3. Surma Valley Saw Mills, Bhanga Bazar wanted a special rate for soft wood *ex.* Bhanga to Tittaghur Paper Mills and argued that the then rate by the river route was cheaper than the rate by the all-rail route *via* BGP.	As there was a considerable reduction in the rate due to the withdrawal of inflated mileages over certain sections of N. E. Railway (PNO region), the request was turned down.
1954—55	
1. M/s. Gita Press, Gorakhpur requested for Special rates for books *ex.* GKP to certain local and foreign stations on the ground that books were the medium of education and were meant for the spread of knowledge and learning amongst the mass.	The volume of traffic was small. The classification of books was also reduced from 14 RR to 12 RR on and from 1-2-54. There was, therefore, no justification for making any further reduction in the rates.
2. Secretary, Chamber of Goalpara Timber Traders, Sapatgram complained of the high rates for timber *ex.* Pandu Region stations to Calcutta .	As the wagonload scale of rates for timber was on a very low basis and the operating cost was still high, no further reduction was possible.

PART II.

Q: 1 (a) At present no separate statistics are maintained of traffic booked at the Railway Risk rates and the Owner's Risk rates, the only figures readily available being those of the total traffic in each of the principal commodities carried irrespective of risk conditions. For commodities like tea, jute, sugar etc., which have no alternative Owner's Risk rates, the entire quantities may, of course, be safely taken as booked at the Railway Risk rates. In the case of commodities having alternative Owner's Risk rates the only basis of estimating the proportion of traffic carried at either risk rate is to depend on experience.

Having analysed the figures in the light of what has been stated above it is felt that it will not be far out if we assume that on this railway traders on the whole book commodities at Owner's Risk rates and at Railway Risk rates approximately in equal proportions.

(b) In respect of the Principal commodities offered for booking on this railway it has been found by experience that whenever alternative Owner's Risk rates are available the traders usually prefer to book at such rates and that in those cases bookings at Railway Risk rates are but occasional. Sometime in 1954 a specific riskwise analysis was also made of the bookings in four commodities *viz.* Keora water, Rose water, Petroleum Products dangerous and Petroleum Products non dangerous, for 3 months ending May 1954 and the result was as follows :—

	Quantity booked	
	At OR Mds.	At RR Mds.
(i) Keora water ...	25	7
(ii) Rose water ...	961	231
(iii) Petroleum & other hydrocarbon oils, dangerous ...	4,76,663	...
(iv) Petroleum & other hydrocarbon oils, non-dangerous. ...	10,57,752	1,072

This corroborates the experience referred to earlier in this note.

(c) This Railway is not aware of any noticeable change of practice in this respect.

Q: 4 (a) There has been a marked increase in payment of compensation claims by this Railway after the last war. Accurate figures of the value of claims paid during the quinquennial periods 1940-45, 45-50 50-55, cannot be readily furnished, as separate figures for the Pandu Region and the Fatehgarh District of the *Ex.* BB. & C. I. Rly., are not available. Adopting the claims figures of the *Ex.* B. A. Railway and *Ex.* B. B. & C. I. Railway, on a mileage basis to these 2 sections, the total figures of claims paid in respect of all the sections now forming N. E. Railway for the 3 Quinquennial periods are approximately as shown below-

1940-41 to 44-45	... Rs.	25,39,660	0 0
1945-46 to 49-50	...	1,77,38,804	0 0
1950-51 to 54-55	...	2,22,20,783	0 0

Commodity statistics in respect of claims for compensation were not compiled prior to 1952 and it is not, therefore, possible to furnish figures for principal commodities involved for the quinquennial periods shown above. On the basis of figures for the period from 1952, the principal commodities involved are piece-goods, iron and steel, grains and pulses, seeds and oil-seeds and sugar. Since commoditywise figures for the years prior to 1952 are not available the quantum of claims paid in respect of the above 4 commodities, is given below only for the years 1952-53, 53-54, 54-55.

	1952—53			1953—54			1954—55		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
1. Piece Goods	12,77,070	6	0	11,36,220	1	6	12,42,826	6	0
2. Iron and steel	59,960	0	0	38,865	0	0	63,616	0	0
3. Grains and pulses, seeds and Oil. seeds	2,63,866	13	6	3,17,155	2	0	2,90,840	14	0
4. Sugar	3,01,673	7	0	2,16,343	2	2	2,00,258	3	5

The extent of increase in the quantum of claims in respect of these commodities, compared to the pre-war period cannot, however, be assessed.

(b) The traffic figures as also the relative prices of the commodities involved are apparently required for purposes of comparative study. Since the commodity-wise break down figures of claims paid for years prior to 1952-53 are not available, it is considered that no useful purpose would be served by the traffic figures and the prices of commodities pertaining to those years. Accordingly, the figures of traffic carried over this Railway and the relative prices of the commodities involved since 1952-53 are furnished in the statement below.

Name of commodity	Volume of traffic carried			Price of commodity					
	1952 - 53	1953 - 54	1954 - 55	1952 - 53		1953 - 54		1954 - 55	
	Tons	Tons	Tons	Rs.	as.	Rs.	as.	Rs.	as.
Piece goods ...	83,400	41,600	32,900	6	6*	6	15*	5	10*
Iron & Steel ...	1,26,500	1,54,900	2,04,700	143	6**	163	0**	163	0**
Grains, pulses seeds & Oil seeds ...	14,96,700	13,81,600	13,08,000	27	1†	26	9†	23	9†
				17	8&	15	6&	11	0
Sugar ...	7,05,000•	7,40,800	4,29,300	27	0£	28	8£	27	0£

*Per pair of dhoties 44"x10 yards.
**Per ton of Pig Iron Foundry No. 1.
†Per maund of wheat.
&Per cwt. of Linseed, bold.
£Per maund.

Q: 5 (a) Although the Railways maintain statistics of claims paid causes-wise, figures under all the heads shown in Q : 5 (a) (i) to (vii) are not maintained. For purposes of replying to this specific question, therefore, a sample analysis of all claims dealt with during a recent month was carried out. The results under the different causes shown in Q : 5 (a) (i) to (vii) and the proportions of the claims paid under individual causes to the total claims bill during the month are indicated in the statement below -

		Value of Claims paid. Rs.	Proportion to total Rs.
(i) Thefts & Pilferage	...	2,69,690	49.70%
(ii) Misdespatch	...	6,860	1.62%
(iii) Deterioration due to delay in transit	...	20	.01%
(iv) Fall in prices owing to delay in transit	...	5,591	1.30%
(v) Damage to consignment due to rough shunting and rough handlings	...	120	.03%
(vi) Leakage and damage due to wet	...	13,727	3.26%
(vii) Any other well defined cause (loss)	...	11,707	2.82%
(viii) Causes other than those in items (i) to (vii) above	...	1,74,154	41.26%
Total	...	4,21,869	100%

(b) The value of claims preferred in respect of each of the causes shown above during the sample month and the quantum of payment against each, are indicated in the statement below :—

			Claims preferred Rs. a. p.	Claims paid. Rs. a. p.
(i)	Thefts and pilferages	...	2,43,885 0 0	2,09,690 0 0
(ii)	Misdespatch	...	7,784 0 0	6,860 0 0
(iii)	Deterioration due to delay in transit	...	54 0 0	20 0 0
(iv)	Fall in prices owing to delay in transit	...	7,483 0 0	5,591 0 0
(v)	Damage to consignment due to rough shunting and rough handling	...	125 0 0	120 0 0
(vi)	Leakage and damage due to wet	...	17,184 0 0	13,727 0 0
(vii)	Any other well defined cause (loss)	...	12,789 0 0	11,707 0 0
(viii)	Causes other than those in items (i) to (vii) above	...	1,85,903 0 0	1,74,154 0 0
	Total	...	4,75,206 0 0	4,21,869 0 0

(c) Breakdown of claims rejected by this Railway under the heads mentioned in 5(a) (i) to (vii) is not available as enquiries are not pursued in cases which are repudiated on technical grounds or otherwise. It is only in cases where the causes of the claims which are repudiated are available in the initial stages that figures can be quoted. It would, however, be misleading to take the few cases of repudiation in which the cause has been recorded for the purpose of arriving at any conclusion.

Q: 6. Statistics in respect of claims repudiated are not maintained commoditywise. A sample analysis was, however, undertaken for a recent month and the results giving the information required are tabulated in the statement below –

Principal commodities involved.		Amount preferred
Oil and Ghee	...	Rs. 15,551/-
Cotton Piece goods	...	Rs. 13,764/-
Grains & Pulses	...	Rs. 1,93,869/-
Iron & steel	...	Rs. 15,964/-

Q: 20. Within the short time available it has not been possible to carry out any investigation of all the claims cases dealt with in 1954-55 in the context of this question. All that has been possible is to have a sample analysis with a view to determine the extent of additional liability that would be incurred by the Railway if the character of the Railway's liability is changed from that of a bailee to that of a common carrier. It was found that in about 15% of the cases that were repudiated, the Railway would not have been able to sustain the repudiation if the character of its liability was changed to that of a common carrier. On the basis of the cases examined this would amount approximately to an increase of 20% in the extent of the liability at present undertaken by the Railway. The date on the basis of which this conclusion has been reached, are admittedly meagre, but even so the extent of additional liability that would be incurred by the Railways if the character of the Railways liability is changed to that of a common carrier, would be considerable.

The increase in the extent of the liability on the basis of the sample analysis mentioned above would amount to an increase of about Rs. 8¼ lakhs to the annual claims

expenditure of this Railway. Of this amount of Rs. 8¼ lakhs, approximately Rs. 90,000/- would be in respect of proved running train thefts.

The incidence of running train thefts is particularly noticeable in the case of cotton piece goods, foodgrains, jute, sugar, tobacco, and betel nuts.

Southern Railway,

Madras.

PART I-A.

Q: 6. The present distance unit of 1 mile has been in existence for a long time and has been found to be quite satisfactory. When the Metric System of distances is introduced, the kilometer will be only approximately. 6 of a mile and will be too small a unit for rating purposes. It will be necessary to adopt 2 kilometers as the unit for charge, which will be slightly longer than a mile.

It is, however, suggested that the table showing the calculated rates be provided according to the following pattern for different zones.

Rates to be shown for every mile for the first 1 to 100 miles, for every 5 miles for the zone from 101 to 300 miles, for every 10 miles for the zone from 301 to 1,500 miles and for every 20 miles for distances beyond, *i.e.* distances upto 100 miles will have to be, rounded off to the next mile for calculation of rates, for distances in the zone 101 to 300 miles to be rounded off to the next 5th mile, for distances from 301 to 1,500 miles to the next 10th mile and for distances beyond to the next 20th mile.

It may be mentioned that even in the present calculated Ready Reckoners the calculated rates for wagon load scales and some class rates are the same for groups of 4 or 5 miles.

Illustrations bringing out the comparison with the present Reckoner are shown in the enclosed statement.

ANNEXURE—to Answer to Question No. 6.

Rate per maund as at present				Calculated rates per maund as suggested			
Miles.	WL/A.	1st Class	2nd Class	Miles.	WL/A	1st Class	2nd Class
	Rs. a. p.	Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.	Rs. a. p.
20	0 0 5	0 0 11	0 1 0	20	0 0 5	0 0 11	0 1 0
21	0 0 6	0 1 0	0 1 1	21	0 0 6	0 1 0	0 1 1
22	0 0 6	0 1 0	0 1 1	22	0 0 6	0 1 0	0 1 1
23	0 0 6	0 1 1	0 1 2	23	0 0 6	0 1 1	0 1 2
24	0 0 6	0 1 1	0 1 3	24	0 0 6	0 1 1	0 1 3
25 etc.	0 0 7	0 1 2	0 1 3	25 and so on upto 100 miles.	0 0 7	0 1 2	0 1 3
101	0 2 2	0 4 7	0 5 0	105	0 2 2	0 4 9	0 5 2
102	0 2 2	0 4 8	0 5 1	110	0 2 3	0 5 0	0 5 5
103	0 2 2	0 4 8	0 5 1	115	0 2 4	0 5 3	0 5 8
104	0 2 2	0 4 9	0 5 2	120	0 2 5	0 5 5	0 5 11
105 etc.	0 2 2	0 4 9	0 5 2	125 and so on upto 300 miles	0 2 6	0 5 8	0 6 2

ANNEXURE—to answer to Question No. 6—(contd.)

Rates per maund as at present				Calculated rates per maund as suggested			
Miles	WL/A.	1st Class	2nd Class	Miles	WL/A.	1st Class	2nd Class
301	0 5 6	0 13 7	0 14 10	310	0 5 7	0 13 11	0 15 2
302	0 5 6	0 13 7	0 14 10	320	0 5 9	0 14 3	0 15 7
303	0 5 6	0 13 8	0 14 11	330	0 5 11	0 14 8	1 0 0
304	0 5 6	0 13 8	0 14 11	340	0 6 1	0 15 0	1 0 5
305 etc.	0 5 6	0 13 9	0 15 0	350 and so on upto 1500 miles.	0 6 3	0 15 5	1 0 10
1501	1 4 11	3 2 4	3 7 7	1520	1 5 1	3 2 10	3 8 0
1502	1 4 11	3 2 4	3 7 7	1540	1 5 4	3 3 0	3 8 0
1503	1 4 11	3 2 5	3 7 8	1560	1 5 7	3 3 0	3 8 0
1504	1 4 11	3 2 5	3 7 8	1580 and so on	1 5 10	3 3 0	3 8 0
1505 etc.	1 4 11	3 2 5	3 7 8				

Q: 15. This proposal is not favoured because this is the very negation of one of the chief principles of rating, *viz.*, the value of service. The suggestion would mean that, whatever the value of service or the ability of the traffic to bear freight charges, all commodities will be grouped together and placed in one 'class' for 'smalls' traffic. This will be a great hardship to low-priced commodities which have to be moved in small lots.

Q: 17. It is not considered desirable, nor is it feasible to have train load rates as a feature of railway freight structure. While it is an accepted rating principle that where there is regularity of movement and volume of movement which would permit of commodities being transported in train loads, it is more economical from the railway's point of view the following points decidedly are against any such quotation of train load rates as a part of the regular goods tariff:—

(i) As far as this Railway is concerned, there are very few commodities in which there is regular traffic in trainloads. There will be only very occasional movements of a particular commodity in trainloads and those movements can best be met by considering quotation of any special rates, if necessary.

(ii) The operating position on the Railways does not permit of regular train load movements. The difficulty is to supply wagons for train loads and there is no question of the Railway being able to provide wagons for train loads to any particular party for a particular commodity. In the circumstances, it is better to meet such situations by way of quotation of special rates, rather than having a specific train load rate in the tariff.

Q: 18. There is at present an express goods service only on the following sections on this Railway:—

Between		Frequency of Service.
Madras and Bombay	...	Daily
Madras and Shalimar	...	Daily
Madras and Bangalore	...	Daily
Madras Egmore and Tuticorin	...	Daily
Bangalore and Poona	...	On four days in the week.

From the point of view of cost to the Railway, there is no case for any extra levy on special express goods services because, if anything, there is quicker turn-round of wagons on account of speedy transit, but from the point of view of 'value of service', the quicker transit is a definite advantage to the Trade. Any special levy for express goods service is not favoured. It should be considered as a facility provided to the public for quick transit of goods, particularly in the case of long distance movements and as the freight charges will in any case be heavy for long distance movements. It is not desirable to burden such traffic with an additional levy, also. Apart from this any additional levy will result in the trade demanding a fixed time limit within which the consignment should be made available for delivery and difficulties are likely to arise if, by any chance, consignments are delayed en-route.

Q: 19. The present practice is according to Rule-27 of the I.R.C.A. Goods Tariff No. 29, which reads as under:—

"27. Crane charges: (1) When a crane is supplied, or utilised, to handle consignments required to be loaded or unloaded by owners as per Rule-25, a charge per hour or part of an hour for each crane used per ton of lifting capicity, will be made. When this charge is levied, loading or unloading charges as per Rule-26 will not be levied in addition.

(2) When a crane is required to load or unload a consignment and it is

necessary to bring such crane from another station, haulage charges as per Rule-115 will be recovered for the distance from and to the station from which the crane is brought".

The quantum of charge, however, varies from railway to railway. The Commercial Committee considered this question in its Meeting No. 26/34 and its resolution is reproduced below:—

"The Commercial Committee consider these charges are of a special nature and that conditions vary on Railways and are not prepared to recommend a general scale of charges applicable to all Railways."

This resolution was passed in 1934. There is now uniformity in respect of rates and conditions of levy in regard to almost all other charges and, therefore, it is considered desirable now that there should be uniformity of charge in regard to crane charges and the rules governing them also. Even on the Southern Railway, the cranage charges vary as between the Ex.MSM, Ex.MS and Ex-S. I. units as shown below.

A review is being made in order to bring about uniformity of charges in regard to the three units on the Southern Railway:—

Crane Charges.

Ex. M. S. M. Railway.

Lifting capacity of crane.	Crane charges.
1. 10 tons capacity and over.	Rs. 10/- per 4-wheeled wagon load or part thereof.
2. Less than 10 tons capacity.	Rs. 5/- per 4-wheeled wagon load or part thereof.
3. 65 ton travelling crane at Bezwada. 4. 50 ton travelling crane at Perambur Works.	Rs. 6/- per hour or part of an hour subject to a minimum charge of Rs. 30/- per consignment.
5. 4 ton fixed crane at Marikuppam and Oorgaum for timber consignments.	Rs. 2/- per ton or part of a ton subject to a minimum charge of Re. 1/- per hour.
6. Fixed crane of 5 ton capacity at Katpadi.	(i) For timber consignments Rs. 2/8 per 4-wheeled wagon or part thereof. (ii) For other than timber consignments Rs. 5/- per 4-wheeled wagon load or part thereof.

Ex. S. I. Railway.

1. Fixed crane of any lifting capacity.	Rs. 1-4-0 per hour or part of an hour.
2. Fixed crane of any lifting capacity for timber and granite stones.	Rs. 2/6/- per ton or part of a ton lifted subject to a minimum charge of Re. 1/- per hour or part of an hour.
3. Travelling cranes for a whole day or for a particular work not exceeding one day.	Rs. 1-4-0 per hour subject to a minimum charge of Rs. 5/-.

Note:—Should a travelling crane be placed at the aisposol of a consignor or consignee for 2 or more successive days, a charge of As. 12/- per hour will be levied from the time the crane is placed at his disposal till it is released, subject to a minimum charge of Rs. 5/- for custody.

In addition to the crane charges detailed above, the following all round rates to cover the labour charge for working the travelling cranes are being made:—

(i) Travelling steam cranes.	Rs. 6/- per ton subject to a minimum charge of Rs. 15/-.
(ii) Travelling ordinary cranes at the home station.	Rs. 2/- per ton subject to a minimum charge of Rs. 5/-.
(iii) Travelling ordinary cranes at out stations	Rs. 3/- per ton subject to a minimum charge of Rs. 5/-.

Ex. M. S. Railway.

Lifting capacity of cranes.	Crane charges.
Metre Gauge:	
1. 10 ton crane.	Rs. 1-8-0 per hour or part of an hour subject to a minimum charge of Rs. 7-8-0 per consignment.
2. 5 ton crane 3. 3 ton crane 4. 2 ton crane	Re 1/- per hour or part of an hour with a minimum charge of Rs. 5/- per consignment.
5. 20 ton crane at Bangalore City.	Rs. 10/- per 4-wheeled wagon or part thereof.
Narrow Gauge:	
5 ton crane at Bangalore City.	Re. 1/- per hour or part of an hour subject to a minimum charge of Rs. 5/- per consignment.

Q: 27. No representation was made by trade to this Railway during the peroid 1-4-52 to 31-3-55 requesting for the quotation of special rates waiving the short distance charge either in part or in full. However, while considering general requests from the trade for quotation of special rates over short hauls, the short distance charge was reduced in the cases mentioned below:—

Commodity	From	To	Miles	Full tariff rate per Maund	Existing special rate per Maund	Date of introduction	Remarks.
				Rs. a. p.	Rs. a. p.		
Sugarcane	Pennadam	Nellikuppam	56	0 4 1	0 2 11	21—4—54	40% reduction in tariff rate including short distance charge.
do.	Vriddachalam	do.	44	0 3 6	0 2 6	21—4—54	

Q: 28 Particulars of requests received from the Trade for special rates from 1-10-48 and cases where such requests were complied with are given in Statement No. 1, attached.

Cases where the requests for special rates were not complied with are detailed in Statement No. 2, attached.



STATEMENT SHOWING DETAILS OF REQUESTS FOR SPECIAL RATES RECEIVED FROM THE PUBLIC FROM FIRST OCTOBER 1948 AND COMPLIED WITH

STATEMENT No. 1.

(Annexure to answer to Question No. 28.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
1.	8—10—48	Messrs Manickavelu Ltd. Bangalore.	Chrome Ore	Request for special rate from Tiptur to Mormugao Harbour.	Rate of Rs. 15/- per ton quoted from 15—8—1950 against the tariff rate of Rs. 22-8-7 per ton as per Board's orders.
2.	29— 1—49	The Fertilizers and Chemicals Travancore Ltd.	Gypsum	Request for special rates from Ennore, Tada, Sulurpeta to Alwaye and Cochin Harbour Terminus.	Special rates based on 20% reduction in the tariff rates WL/C allowed as in the case of special rates from Ariyalur, Bikshandar Koil etc. Rates quoted from 5—7—1949.
3.	26— 9—48	Oomedchand Kashiram & Co., Madras.	Ground Nut Oil	Request for special rate for Ground nut oil in tank wagons from Madras to Bombay.	Special rate quoted on the basis of equable rates obtaining by the sea route to meet competition and divert traffic to rail.
4.	15— 9—49	Malapati Ramiah Chetty, Cuddapah.	do.	Request for special rate from Cuddapah and Yerraguntla to Shalimar.	Special rates introduced based on rebooking basis i. e., merging the tariff rates up to Madras and the special rates from Madras to Shalimar.
5.	19— 3—50	East India Distilleries and Sugar Factory, Nellikuppam.	Sugarcane	Request for special rates from Asakalathur to Nellikuppam.	Special rates based on 40% reduction in the tariff rate quoted from 1—6—1950.
3.	9— 1—51	Ishwarlal P. Patni & Co., Bombay, Vinag Mining Co., Bellary, and other various mining industries.	Iron ore	Request for special rates from Hospet and Pappinayakanahalli to Mormugao Harbour.	Introduced the special rates from 15—4—1951 based on the cost of hauling of M. G. wagons obtaining Board's orders in view of low margin of profit available and with a view to helping Indian exporters to compete with Exporters at Goa. These rates were subsequently enhanced based on the altered conditions regarding prices.

STATEMENT No. 1.

Annexure to answer to Question No. 28 (contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
7.	...	Lalbhai Patel & Co., Bombay.	Iron ore	Request for special rate from Hosdurga Road to Bombay and Mormugao Harbour.	Special rate introduced from 1—6—1951 based on the cost of hauling of M. G. wagons obtaining Railway Board's orders, ex. Hosdurga Road to Mormugao Harbour only.
8.	14— 2—51	M. Prahladha, c/o International Sales Corporation, Calcutta.	do.	Request for special rate from Cuddapah to Madras Harbour.	Special rate above the minimum permissible rate quoted taking into consideration the cost of production and the selling price.
9.	17— 3—51	do.	do.	Request for special rate from Krishnapuram to Madras Harbour.	-do-
10.	17— 4—51	Best & Co., Ltd. Madras.	do.	Request for special rate from Pappinayakanahalli to Madras Harbour.	Special rate introduced from 1—6—1951 obtaining Board's orders. In view of the operational difficulties at Guntakal, split up rates up to Guntakal and from Guntakal to Madras Harbour were quoted.
11.	17— 4—51	L. Boolchand & Co., Bombay.	do.	Request for special rate from Hospet to Madras Harbour.	-do-
12.	9—12—51	Khemka & Co., Hospet.	do.	Request for special rate from Mariammanahalli to Masulipatam Port.	Rate quoted from 20—3—1952 based on the special rate then existing from Hospet to Masulipatam Port plus basic rate ex. Mariammanahalli to Hospet on actual distance with no short distance charge and terminals.
13.	18—10—51	Best & Co., Ltd., Madras.	do.	Request for special rates from Hospet, Bellary and Papinapakanahalli to Masulipatam Port in view of the congestion at Mormugao Harbour and transhipment difficulties at Guntakal, on traffic to Madras Harbour.	Special rates introduced at 20% below the tariff level as the traffic could bear only this rate.

14.	14— 9—51	Lalbhai Patel & Co., Bombay.	Iron ore	Request for special rate from Hosdurga Road to Madras Harbour.	Special rate introduced from 1—7—1952 based on slightly above the minimum permissible level and on the same parity of special rates from Hospet-Bellary area to Madras Harbour.
15.	25— 6—51	Parry & Co., Ltd., Nellikuppam.	Sugarcane	Request for special rate from Tozhupedu to Nellikuppam.	Special rate based on 40% reduction in tariff rate introduced with effect from 1—12—1951.
16.	11—10—51	Chari & Chari Ltd., Madras.	Kyanite	Requested continuance of the existing special rate from Singarayakonda to Madras Harbour.	Agreed. Special rate quoted based on a return of 0.4 pie per maund per mile, but the rate was cancelled from 1—7—1952 in view of the high price level that obtained for this ore.
17.	7— 6—52	Jyoti Bros., Madras.	Iron ore	Request for special rates from Bellary and Tornagallu to Madras Harbour.	Special rate from Bellary quoted from 1—7—1952 on the same basis of rates quoted from Kudatini and Hosdurga Road to Madras Harbour above the minimum permissible rates, so as to place all traders on the same footing, as far as possible. Special rate from Tornagallu above the minimum permissible level and equivalent to the rates in force from nearby stations was quoted from 15—10—1952.
18.	28— 5—52	The Constructional Engineers Corporation, Madras.	do.	Request for special rates from Bellary to Madras Harbour and Mormugao Harbour and from Kudatini to Madras Harbour, Mormugao Harbour and Bombay.	Special rates to Madras Harbour at less than about 12% in tariff rates and less than 20% in tariff rates to Bombay and Mormugao quoted. No rate from Kudatini to Mormugao was quoted in view of the congestion at Mormugao Harbour.
19.	...	Devidayal Bros., Ltd. Bombay. Kamani Bros., Ltd., Bombay. Devidayal Sales Ltd., Bombay,	do.	Request for special rates from stations in Hospet-Bellary area to Bombay via Raichur and also to quote special rate from Guntakal to Bombay to clear the accumulated stock at Guntakal which could not be moved to Madras Harbour.	Special rates based on 20% reduction in tariff rates were introduced.

STATEMENT No. 1.

(Annexure to answer to Question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
19. (contd.)					
	17— 4—52	Kishor Natwarlal & Co., Bombay	Iron ore	Request for special rates from stations in Hospet—Bellary area to Bombay *via* Raichur and also to quote special rate from Guntakal to Bombay to clear the accumulated stock at Guntakal which could not be moved to Madras Harbour.	Special rates based on 20% reduction in tariff rates were introduced.
	2— 5—52	Constructional Engineers Corporation, Madras.			
	10— 5—52	Kirthikumar & Co., Ltd., Bombay.			
20.	7— 5—52	Constructional Engineers Corporation, Madras.	do	Request for special rates from Kudatini and Bellary to Madras Harbour.	Special rates above the minimum permissible rates quoted equivalent to the rate from Hosdurga Road, so as to place all traders on the same footing.
21.	5— 7—52	Best & Co., Ltd., Madras.	do.	Request to retain the special rate from Guntakal to Madras Harbour for a further period to clear the accumulated stock.	Complied with up to 31-12-1952.
22.	17— 7—52	Baldota Bros., Bellary.	do.	Request to quote the "ton-rates" as "Maund-Rates".	Agreed.
23.	8— 9—52	Murugappa Agencies, Madras.	do.	Request for extension of the period of availability of special rate *ex.* Guntakal to Madras Harbour to clear accumulated stook as the stock could not be currently cleared on account of non-supply of wagons.	Agreed up to 31-12-52.
24.	26— 4—52	Kusum Products Ltd., Rishra.	Groundnut oil	Requested extension of application of the existing special rate for groundnut oil from Madras to Rishra in tank wagons for groundnut oil in containers also.	Acceded—Special rate slightly lower than the cost of transport by the alternative mode of transport *viz.* sea route quoted to combat competition and divert traffic to rail.

25.	16— 1—53	Kusum Products Ltd., Calcutta.	do.	Request for special rates from Madras to Shalimar.	Special rates introduced from 1-8-54 for movement in containers as well as in tank wagons based on sea costs and so adjusted that the same difference in sea costs between Rishra and Shalimar is maintained in the special rates also.
26.	16— 1—53	Kusum Products Ltd., Calcutta.	G. N. Oil	Request for special rate ex. Madras to Saheb Bazaar and Rishra.	Special rates in existence on the same basis as stated above for movement in tank wagons extended for movement in containers also to Saheb Bazaar. Special rates based on the sea costs in existence for movement in containers extended for movement in tank wagons also to Rishra.
27.	2— 2—53	Parry & Co., Ltd., Madras.	Urea for manurial purposes	Request for special rates from Cochin Harbour Terminus, Madras, and Ranipet to several stations on the ground that the incidence of freight is high.	Special rates based on WL/H Scale of rate plus terminals and other charges wherever due quoted for movement of urea when intended for manurial purposes only, with a view to avoid dual classification for the commodity.
28.	14— 5—53	The Mysore Fertilizer Co., Madras.	do.	Request for special rate from Madras to Kadur.	do.
29.	1— 7—53	The Malabar Produce Merchants Association.	Coir rope, string or yarn	Request for special rate from Calicut to Shalimar.	Special rate based on the equable rate prevailing by the alternative rail-cum-sea route via Cochin Harbour Terminus quoted from 15-6-55.
30.	23— 2—54	The Mysore Fertilizer Co., Madras.	Urea	Request for special rates ex. Erode and Madras to Tarikere, Hassan, Chikmagalur Out Agency, Birur, Mangalore, Tellicherry and Bangalore City or Cantt.	Special rates when intended for manurial purposes only were quoted based on WL/H scale of rate plus terminals, transhipment charges etc., with a view to avoid dual classification for the commodity.
31.	20—10—54	Hindusthan China Clay Works.	China clay	Request for special rates from Nileshwar and Pappinisseri to Bombay.	Special retes based at .16 pie per maund per mile quoted from 1-11-55 obtaining the approval of the Railway Board as an experimental measure for a period of one year to meet sea competition and divert traffic to rail.

STATEMENT No. 1

(Annexure to answer to question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
32.	15—11—54	The Tomco Sales Department, Madras.	Soap, Cocogem, Hydrogenated oil and hair oils.	Request for special rates from Ernakulam Goods to Bombay.	Rates quoted from 20-6-55 to Bombay in competition with sea route. The special rates are based on the equable rates obtaining by the sea routes.
33.	23— 8—54	Laxmi Starch Factory Ltd., Kundara.	Topioca products.	Request for special rates from Kundara to various stations.	Special rates for tapioca starch and flour quoted from Kundara to Madras Egmore and Bangalore City from 15-10-55 based at 20% less than tariff rates.
34.	16— 8—54	The Vellore Betelnuts and Tobacco Merchants' Association, Vellore.	Betelnuts & Tobacco country unmanufactured.	Request for special rates for tobacco from Sulur and Tiruppur and betelnuts from Trichur and Shimoga to Katpadi.	Special rates quoted for betel nuts from Trichur and tobacco country unmanufactured from Sulur and Tirupur to Katpadi based on the equable rates obtaining by the alternative mode of transport *viz.*, lorries.
35.	5— 4—54	Parry & Co., Ltd., Nellikuppam.	Sugarcane.	Request for special rates from Vriddachallam and Pennadam toNellikuppam	Special rates introduced from 21-4-54 based on 40% reduction in the tariff rates *viz.*, Second class.
36.	22— 2—54 3— 3—54	The Sirshiba Ltd., Sirpur Kaghaznagar. Travancore-Cochin Chemicals Ltd.	Caustic Lye	Request for special rates for caustic lye in tank wagons from Alwaye to Sirpur Kaghaznagar.	Special rate quoted allowing 40% reduction in the Tariff rate from 15-10-55 as an experimental measure for one year.
37.	26— 2—54	The Mettur Chemical & Industrial Corporation Ltd., Mettur Dam.	Caustic Lye	Request for special rate for caustic lye in tank wagons from Mettur Dam to Balharshah.	Special rate quoted allowing 40% reduction in the tariff rate from 15-10-55 as an experimental measure for one year.
		Mettur Chemical & Industrial Corporation Ltd., Mettur Dam.	Salt.	...	Special rate of Re. 0-8-0 per maund RR; C/500: L quoted for the movement of salt N. O. C. from Adirampatnam to Mettur Dam as per orders of the Railway Rates Tribunal in Complaint No. 3 of 1954.

38.	4—12—54	East India Distilleries and Sugar Factories Ltd., Nellikuppam.	Sugarcane	Request for special rate from Madurantakam to Nellikuppam.	Special rates based on 40% reduction in Tariff rates introduced with effect from 20-1-55.
39.	15— 1—55	M. Ayyadurai Muthuraja, Plantain Commission Mandy, Tiruchy.	Plantains	Request for special rates from Trichinopoly Goods and Kodaikanal to Madras Egmore.	Lumpsum wagon rates based at WL/F scale of rates on a minimum weight of Mds. 160/- against Mds. 220/- applicable to WL/F scale of rates were quoted for movement of Plantains from Trichinopoly and Kodaikamal to Madras with effect from 10-8-55.
40.	5— 7—55	Indo-Agri Ltd., Madras.	Urea	Request for special rates from Madras Harbour and Avadi to several stations.	Special rates based on WL/H scals of rate plus terminals and other charges wherever due introduced for the movement of urea when intended for manurial purposes only.
41.	27— 4—55	Mettur Chemicals and Industrial Corporation Ltd.. Mettur Dam.	Caustic Lye	Request for special rates from Mettur Dam to Wadi Bunder and Trombay.	Special rates quoted from 15-10-55 for a period of one year in the first instance Special rates are based at 40% reduction in tariff rates.
42.	30— 3—55	Travancore-Cochin Chemicals Ltd.	Caustic Lye	Request for special rates for caustic liquor in tank wagons from Alwaye to Kalyan.	Specical rate quoted allowing 40% reduction in tariff rate for a period of one year.
43.	5— 3—55	Caltex (India) Ltd , Madras.	Furnace oil and Diesel oil	Request for extension of the concession in rates for movement of furnace oil and diesel oil in tank wagons from Ernakulam Goods to Mettur Dam for bookings from Caltex Siding, Ernakulam South also.	Special rate quoted based on the same percentage of reduction in tariff rate as is allowed in the existing special rate from Ernakulam Goods to Mettur Dam.

STATEMENT SHOWING DETAILS OF REQUESTS FOR SPECIAL RATES RECEIVED FROM THE PUBLIC FROM FIRST OCTOBER 1948 BUT NOT COMPLIED WITH BY THE SOUTHERN RAILWAY.

STATEMENT No. 2.

(Annexure to answer to Question No. 28.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
1.	5—10—48	Bhagwandoss Rupchand, Poona.	Cocoanuts	Request for reduced rate ex-Tiptur to Poona.	Declined as there was no commercial justification.
2.	5—10—48	Yavgi, Reav Market, Poona.			
3.	23—10—48	P. Sanjeevi Naidu, Banavaram P. O., North Arcot District.	Grass, Dry.	Request for special rate from certain MSM Railway stations to Madras.	Declined as a low wagon load scale of rates WL/CR has already been provided.
4.	...	M. S. Raphael, Sanvordem	Iron Ore.	Request for reduced rate from Kalay to Mormugao Harbour.	Declined as the commodity is already charged at a low wagon load scale.
5.	...	The Magnesite Corporation of India Ltd., Trichinopoly.	Magnesite.	Request for reduction in rate ex-Salem to Madras.	Declined as there was no commercial justification.
6.	...	R. F. Dias & Bros., Sanvordem.	Firewood.	Request for special rate ex-Collem etc., stations to certain stations on MSM Railway.	Declined as the commodity is charged at a low wagon load scale.
7.	8—11—48	Ramnath Somani, Poona.	Groundnuts.	Request for special rates from Madras Bijapur and Davangere to Poona and Bombay.	Declined reduction as the general pattern of movement for this commodity was only at tariff rates.
8.	28— 6—49	G. C. Mathi, Kamalpur, Dharwar.	Sand.	Request for special rate from Alnavar to Hubli and Dharwar.	Declined being a shortlead traffic.
9.	21— 7—49	B. S. Koppal, Sirsi.	Pepper & Betelnuts	Request to revive the special rates from Sirsi out agency to Bombay and Sholapur (S.R.) which they enjoyed during the pre-war days.	Special rates were in force prior to 1942 for movement of betelnuts from Sirsi out-agency to Sholapur and Bombay and they were quoted in competition. with road-cum-sea route. No special rates were quoted for movement of pepper. The special rates for Betelnuts were cancelled due to conditions having changed at the end of 1942. Further enquiries revealed that fairly heavy traffic was moving by rail freely and as such the request of the party was not complied with.

10.	24—10—49	Nabisaheb Fakruddin Saheb Chaudhari, Firewood Merchants, Jamkhandi.	Firewood.	Request for special rates for firewood ex-Alnavar, Nagargali, Londa and Khanapur to Chikodi Road and Kudchi.	Declined as there was no special rate for the commodity over this railway.
11.	27— 1—49	W. A. Beardsell & Co., Ltd., Madras.	Piecegoods.	Request for special rate from Bangalore City to Calcutta.	Declined as no case had been made out for a reduction.
12.	24—12—49	Neti Arjunappa Merchant Patnam Post, Anantapur District.	Soapsand.	Request for special rate from Chinnakontapalli to Nandyal.	Declined as traffic offered was negligible.
13.	31—12—49	The India Cements Ltd., Madras.	Cement.	Request for special rate from Talaiyuthu to Lucknow Tuticorin Cochin Harbour.	Declined as there were no special rates for movement of cement generally.
14.	3— 9—49	Nagrath Oil Mills, Kanpur,	Barytes	Request for special rates from Cuddapah Muddanuru and Tadpatri to Kanpur.	Declined as the article was already charged at a low wagon load scale.
15.	15— 9—49	The National Tobacco Co., of India Ltd., Guntur.	Tobacco, Country Unmanufactured	Request for special rate for Agarpara and Shalimar.	Declined as fairly good traffic was moving at tariff rates.
16.	25— 3—49	A.I.N. Exports, Nellore.	Mica	Request for special rate from Gudur to Madras.	Declined as the traffic could bear the existing rate.
17.	16— 4—49	I. Balasubramaniam, Nellore.	Mica	do.	do.
18.	21— 1—49	Venkatesa Raval Kamath Krishna Baboo Redkar and Co., Vascodagama.	Cotton seeds	Request for special rate from Hubli to Mormugao Harbour.	Declined as there was no commercial justification.
19.	16— 4—49	The Mysore Iron and Steel Works, Bhadravati.	Machinery	Request for special rate from Madras to Bhadravati.	Declined as there was no commercial justification for reduction.
20.	24— 5—49	do.	Iron or Steel Scrap	Request for special rates from stations on S.I. and M.S.M. Railways to Bhadravati.	Declined as the commodity was already charged at a low wagon load scale of rates.
21.	16— 2—49	Ashok Motors Ltd., Madras.	Motor Cars	Request for special rates from Ennore to several stations.	Declined as the traffic could bear the existing tariff rate.

STATEMENT No. 2.

(Annexure to answer to Question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
22.	27— 6—49	Jagdeoram Ramdoss Barhaj (U.P.).	Molasses	Request for special rate from Pugalur to Dhulian Ganges.	Declined as there was no commercial justification.
23.	8— 6—49	Bansilal and Son., Ghaziabad.	Saltpetre refined	Request for special rate from Ghaziabad to Madras.	Reduction refused as the incidence of freight had no influence on the traffic offering.
24.	23— 4—49	Gomedchand Khasiram and Co., Madras.	Groundnut Oil	Request for special rates from Cuddapah etc., stations to Bombay, citing the existence of special rate from Madras to Bombay.	Request turned down advising party that the rate from Madras to Bombay was quoted in competition with the sea route a factor which did not affect the level ot Railway charges from interior Stations to Bombay.
25.	17— 7—50	N. R. Rangaswamy Naidu and Sons, Potato Merchants, Madras.	Potatoes	Request for special rates from Nilgiri Railway stations to Madras.	Declined owing to operating conditions.
26.	2— 8—50	Saraswat Corporation Ltd., Cochin.	Bonemeal	Request for special rates from Kolar and Londa to Coimbatore and Cochin.	Declined as traffic could bear the existing rates which were already based on a low wagon load scale.
27.	23— 6—50	All India Bichromate Manufacturer's Association, Bombay.	Chrome Ore.	Request for special rates from Kadakola and Arsikere to Andheri, Kanpur and Madras.	Declined owing to absence of sufficient data justifying quotation of special rate.
28.	23— 9—50	Brijmohandas Lachmandass and Co., 189, Nanshi Mehta St., Bombay.	Bauxite	Request for special rates from Desur to Bombay and Mormugao Harbour.	Declined as the tariff rate was already based on a low wagon load scale.
29.	25— 1—50	K. D. Kamath, Lakshmipuri, Kolhapur.	Sand	Request for special rate from Alnavar to Hubli.	Declined being a short-lead traffic.
30.	7— 4—50	John Fleming Co., Ltd., Bijapur.	Sand	Request for special rate from Guledgud Road to Bijapur.	Declined as the traffic could bear the existing rate which is based on a low wagon load scale.

31.	11—12—50	Quenion and Co., Goa.	Cement	Request for quotation of special rate from Dalmiapuram to Margao to enable them to reduce the selling price and compete with imported stuff.	Declined in view of heavy congestion over the W.I.P. Railway.
32.	5— 4—50	Bombay Mining Co., Bombay.	Iron Ore	Request for special rate from Hosdurga Road to Madras Harbour.	Declined as the rate asked for was much below the minimum permissible rate.
33.	23— 6—50	Allakki Sarweswara Sarma, Samalkot.	Tiles.	Request for special rates from Feroke to certain stations on N. E. line.	Declined as there appeared to be no justification for reduction till such time large movements took place regularly by the sea route.
34.	16— 1—50	The Premier Chemical Industries, Mysore.	Rock Phosphate	Request for special rates from Madras Harbour to Mysore South and Belagula.	Declined as there was no commercial justification.
35.	3— 2—50	The Mysore Chemicals and Fertilizers Ltd., Mysore.	do.	Request for reduced rates from Madras to Mysore and Belagula.	do.
36.	12— 1—50	Buckingham and Carnatic Co., Ltd., Madras.	Limestone & Sulphuric Acid	Request for special rates for Limestone from Rayalacheruvu and Sulphuric Acid from Belagula and Ranipet to Madras Mill Siding.	Refused as the firm did not furnish necessary data to show how the rates were unreasonable and more than what the traffic could bear.
37.	20— 6—50	Northern India Paints and Pigments Manufacturers' Association, Kanpur.	Barytes	Request for special rate from Cuddapah to Kanpur.	Declined, as the article was already charged at a low wagon load scale.
38.	1—11—50	The Punjab Paint Colour and Varnish Works.	Barytes & Red Oxide	Request for special rate from Cuddapah to Ponlaganj Goods Depot.	do.
39.	15—11—50	do.	do.	Request for special rate from Cuddapah to Badamibagh.	do.
40.	4—12—50	Bombay Metal Depot, Mint St., Madras.	Non-Ferrous Metals	Request for special rate for non-ferrous metals, Brass etc.	Declined as traffic moved by rail was negligible.
41	25—12—50	Tandur and Shahabad Stores Syndicate.	Stone N.O.C.	Request for special rate from Wadi to Margao.	Declined as a low wagon load scale exists for the commodity.

STATEMENT No. 2.

(Annexure to answer to Question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
42.	3/4— 7—50	The Metal Box Co., of India Ltd., Tondiarpet, Madras.	Tin Plates	Request for special rate from Shalimar and Bombay to Madras.	Declined as there was no commercial justification.
43.	10— 2—50	The Stoneware Pipes (Madras) Ltd., Trivellore.	Pipes, Earthen ware and stone ware.	Request for special rate ex. Trivellore to Bangalore City or Cantonment.	Declined as the traffic moved freely at the then existing tariff rate.
44.	17— 4—50	Modi Vanaspathi Manufacturing Co., Modinagar.	Groundnut Oil.	Request for special rates from certain MSM Railway Stations to Modinagar.	Declined as traffic was freely moving at Tariff rates to consuming centres and also advised party to obtain their requirements from sources nearer to Modinagar.
45.	8— 2—50	The Bombay Co., Ltd., Madras.	Turpentine & Rosin	Request for special rates from Rishikesh and Dehra Dun to Madras.	Declined as there was no commercial justification for reduction.
46.	14— 2—50	The South Indian Mining Co., Betamcharla.	Barytes	Request for special rate from Betamcherla to Shalimar, Bombay and Madras Harbour.	Declined as examination of figures of movement indicated that the incidence of Railway freight had no influence on movement.
47.	7— 7—50	Mr. Chautapalle Anjaneyalu Chetty, Mine Owner, Tadpatri.	Barytes	Request for special rate from Tadpatri to Chetla siding.	Declined as the commodity was already charged at a low wagon load scale of rate.
48.	14— 7—50	Sri Venkateswara Cashew Manufacturing Co., Vetapalemu.	Cashewnuts	Request for special rates from Palasa, Sompeta etc. to Vetapalemu.	Declined as there was no commercial justification for any reduction.
49.	12—10—50	R. N. Rajan, 43, Bunder St., Madras.	Confectionery.	Request for special rate from Bombay to Madras.	Declined as traffic could bear the Tariff rate.
50.	21— 5—50	The Staff of Electrical Power House, Vasco-da-Gama.	Firewood	Request for special rate ex-Collem to Vasco-da-Gama.	Declined as the commodity was already charged at a low wagon load scale of rate and also the traffic being a short-lead one.

STATEMENT No. 2.

(Annexure to answer to question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
61.	17— 5—51	Excells Trading Corporation, Bangalore City.	Manganese Ore.	Request for special rate from Bansandra to Mormugao Harbour.	Declined as party did not make out a case for reduction.
62.	20— 7—51	Central Mining Corporation, Madras.	do.	Request for special rate from Razampeta or Koduru to Madras Harbour.	Declined as the rates prevailing were reasonable based on price levels and margin of profit available.
63.	9— 4—51	R. K. Mining Industries, Chitaldroog.	do.	Request for special rate ex-Amritapura to Madras Harbour stating that the railway freight was very high and the party was unable to carry on business.	do.
64.	18—10—51 & 25— 1—52	Devidayal Mining Corporation, Bangalore.	Iron Ore	Request for special rates ex. Amritapura & Banasandra to Madras Harbour.	Request allowed to pend finalisation of the revision of all special rates for Iron ore. No further action taken as the party did not remind.
65.	6—11—51	Sulabh Mining Syndicate, Chitaldroog.	do.	Request for special rates from Chickjajur & Saslu to Mormugao Harbour & Madras Harbour.	Request allowed to pend finalisation of review of all special rates for Iron ore. No further reference from party.
66	4—12—51	Rai Podders Ltd., Madras.	do.	Request for special rates from Krishnapuram and Gangayapalle to Madras Harbour.	Replied to the party that they could avail the special rate already in force from Krishnapuram for Gangayapalle traffic also.
67.	18—10—51	South Indian Corporation, Madras.	do.	Request for special rate from Nayudupeta to Madras.	Declined on the basis of price levels and also as this short lead could well bear the tariff rate.
68.	8—11—51	Messrs. Khemka & Co., Hospet	Iron Ore	Request for special rate from Mariyamanahalli to Madras Harbour.	Declined as it was found that the request was more for supply of wagons than for special rates.

STATEMENT No. 2.

(Annexure to answer to question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
61.	17— 5—51	Excells Trading Corporation, Bangalore City.	Manganese Ore.	Request for special rate from Bansandra to Mormugao Harbour.	Declined as party did not make out a case for reduction.
62.	20— 7—51	Central Mining Corporation, Madras.	do.	Request for special rate from Razampeta or Koduru to Madras Harbour.	Declined as the rates prevailing were reasonable based on price levels and margin of profit available.
63.	9— 4—51	R. K. Mining Industries, Chitaldroog.	do.	Request for special rate ex-Amritapura to Madras Harbour stating that the railway freight was very high and the party was unable to carry on business.	do.
64.	18—10—51 & 25— 1—52	Devidayal Mining Corporation, Bangalore.	Iron Ore	Request for special rates ex. Amritapura & Banasandra to Madras Harbour.	Request allowed to pend finalisation of the revision of all special rates for Iron ore. No further action taken as the party did not remind.
65.	6—11—51	Sulabh Mining Syndicate, Chitaldroog.	do.	Request for special rates from Chickjajur & Saslu to Mormugao Harbour & Madras Harbour.	Request allowed to pend finalisation of review of all special rates for Iron ore. No further reference from party.
66	4—12—51	Rai Podders Ltd., Madras.	do.	Request for special rates from Krishnapuram and Gangayapalle to Madras Harbour.	Replied to the party that they could avail the special rate already in force from Krishnapuram for Gangayapalle traffic also.
67.	18—10—51	South Indian Corporation, Madras.	do.	Request for special rate from Nayudupeta to Madras.	Declined on the basis of price levels and also as this short lead could well bear the tariff rate.
68.	8- 11—51	Messrs. Khemka & Co., Hospet	Iron Ore	Request for special rate from Mariyamanahalli to Madras Harbour.	Declined as it was found that the request was more for supply of wagons than for special rates.

69.	24— 5—51	Tandur & Shabadstone Syndicate, Wadi.	Shahabad Stones	Request for reduced rate stating that to compete with foreign imports, they require reduced rates to encourage Indian Industries.	Request not complied with as the existing rate was based on a low wagon load scale.
70.	24— 5—51	do.	do.	Request for reduced rate from Wadi to Mormugao Harbour.	do.
71.	14—12—51	C. R. Natesa Nayagar, Mylapore, Madras.	Lime	Request for special rate from Nandalur to Madras as there was no profit at the tariff level.	Declined as the existing tariff rate was based on a sufficiently low wagon load scale.
72.	14—12—51	M. Dutta, Pithapuram.	Molasses	Request for reduced rate ex-Pithapuram to Shalimar.	Declined due to operational difficulties as traffic to Shalimar was restricted by a quota.
73.	17— 9—51	Larzulla Abdul Rahim & Co., Vaniyambadi.	Lime and Lime shells	Request for special rate ex-Kadalundi to Vaniyambadi.	Declined as the commodity was already charged at a low wagon load scale, and also as the applicants had not shown that the traffic could not bear the existing rate.
74.	12—11—51	S. C. Sanyal & Co., Calcutta.	Tea Waste.	Request for special rates ex-Pollachi, Coimbatore, Calicut, Tiruchendur and Quilon to Shalimar.	Declined as there was not prospect of appreciable traffic offering.
75.	30—11—51	G. C. Dorset & Co., Ltd., Bombay.	Commercial Alcohol.	Request for special rate from Madras and Mysore to Bombay based on 6 annas per gallon for export purposes.	Declined as the traffic rate prevailing was lower than the basis for the special rate asked for.
76.	7— 4—51	C. A. Kunhi Moosa & Co,, Calicut.	Pepper	Request for special rate from Calicut to Shalimar in consideration of cheapness of transport by sea so that traffic is diverted to rail.	Declined as the traffic in this costly commodity could well bear the tariff rate.
77.	1—11—51	The Baliapatam Produce Trading Co. & 4 others.	do.	Request for special rate from Cannanore to Shalimar citing the existing special rate from Azhikkal.	Declined. Special rates in existence from Azhikkal, Tellicherry and Cochin Harbour Terminus to Shalimar were cancelled from 1-5-52 in view of the price of pepper.
78.	24—12—51	The North Malabar Chamber of Commerce, Cannanore.	do.	do.	do.

STATEMENT No. 2.

(Annexure to answer to Question No. 28.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
79.	24—10—51	Engineering Supplies Co., Bombay.	Cast Iron Pipes	Requested extension of application of the special rate for Cast Iron Pipes from Bhadravati to Bombay to Ambernath & Kalyan also.	Declined. The matter was subsequently taken before the Railway Rates Tribunal, whose decision was partly in favour of Railways and partly in favour of party.
80.	22— 5—51	Venkata Sitharam-Anjenaya, Rice & Oil Mills, Bhimavaram.	Groundnut seeds	Request for special rates from Bellary to Bhimavaram and Narasapur guaranteeing 40 to 50 wagons per year.	Declined as it was not stated as to how the existing tariff rate was prohibitive.
81.	22— 7—51	Shri Venkateswara Cashew Manufacturing Co., Vetapalem.	Cashewnuts.	Requested special rate ex-Madras to Vetapalemu.	Declined as the object in asking for a reduced rate was to nullify the geographical advantage enjoyed by the competitors.
82.	28— 5—51	The Crescent Lime Works, Madras.	Lime & Lime stone.	Request for special rate ex-Nandalur to Madras.	Declined as a low wagon load scale has been provided for this commodity.
83.	19/27—7—51	Ths Mysore Iron & Steel Morks, Bhadravati.	Ferro-silicon	Requested for special rates of Rs. 70/- per ton from Bhadravati to Tatanagar, Burnpore, Ajmer and Kanpur to enable them to compete with other source of supply at the consuming centre. (Imported Stuff).	Declined as the increase in railway freight as compared with the rates prevailing prior to 1948 was in line with the general increase in respect of all commodities. Consequent on the implementation of the revised rates structure and in keeping with the general increase in the level of prices, reduction in rates will not by itself render any assistance to the industry to compete with the imported stuff.
84.	22— 7—51	K. G. Thiruvengadam Mudaliar, Bangalore.	Salt.	Request for special rates from Madras, Tada, Talamanchi and Tuticorin to Bangalore for Industrial purposes.	Party had not made out any case for reduction.

85.	6—11—51	The Hindusthan Mineral Products Co., Ltd., Bombay.	Bauxite.	Request for special rates ex. Belgaum, Desur, Khanapur, Gunj, Londa and Tinaighat to Mormugao Harbour for export.	Party had nat made out any case for reduction.
86.	10—11—51	J. Jaganatha & K. Narayan Rao & Company, Duggirala.	Turmeric.	Request for special rate from Duggirala to Shalimar.	Declined as considerable traffic was moving at tariff rate by rail and movement by the sea route being negligible.
87.	10—11—51	K. Sambasivadu & Sons, Duggirala.	do.	Request for special rates from Duggirala to Shalimar and Ramkistopore.	do.
88.	22— 2—51	The Bihar Soap Factory Sahibganj.	Cocoanut oil	Request for special rate from Cochin Harbour Terminus to Sahibganj.	Declined as appreciable traffic was already moving at Tariff rate.
89.	30— 8—51	R. K. Mining Industries, Chitaldroog.	Manganese Ore	Request for special rate ex-Amritapura to Madras Harbour.	Declined as traffic was freely moving at Tariff rate.
90.	29— 2—51	G, A. Narasimham C/o Vasudev & Co., 32, Annapillai Street, Madras.	Washing Soda	Request for special rate ex. Madras to Vizianagaram citing the existence of special rate over B. N. Railway.	Declined as the article was already charged at a low wagonload scale, also adding that no special rates were in force on B. N. Railway.
91.	14—12—51	S. M. Dutta, C/o Kirlampudi Sugar Mills Ltd., Madras.	Molasses	Request for special rate from Pithapuram to Shalimar.	Reduction refused as there was little prospect of traffic moving due to operational difficulties.
92.	7— 7—51	Lalbhai Patel & Co., Bombay.	Manganese Ore	Request for special rate ex-Dandeli to Mormugao Harbour.	Reduction refused as the higher incidence of railway freight from Dandeli to Mormugao Harbour as compared with similar movements from Madhya Pradesh to Vizagapatam Port was due to the enhanced basis of rates over the W. I. P. Railway.
93.	11— 7—51	Indian Iron and Steel Co. Ltd., Calcutta.	Cast Iron Cisterns	Request for special rate from Bisco to Madras to compete with the locally manufactured and imported stuff.	Declined as the traffic is in the direction of loads over the congested North-East Line.

STATEMENT No. 2.

(Annexure to answer to Question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
94.	25— 4—52	The Erode Oil and Seeds Merchants Association, Erode.	Groundnut Oil	Request for special rate for Groundnut oil from Erode to Shalimar.	Party addressed to furnish facts and figures to show the existing rates are unworkable to which no reply has been received.
95.	4—11—52	The Director of Industries and Commerce, Mysore.	Agricultural Implements	Request for special rates from Hassan to Mandya, Mysore, Bangalore and Shimoga.	Declined as there was no commercial justification to comply with the request as the haul involved is short and as traffic is already charged at a low class rate.
96.	4— 2—52	Manikavelu Ltd., Bangalore.	Manganese Ore	Request for special rates from Kodaganur, Harihar and Davangere to Madras Harbour.	Declined as the prevailing rates were reasonable based on price levels and margin of profit available.
97.	14— 2—52	Godfrey Bros., Bangalore.	do.	Request for special rates ex-Kodaganur or Yeshwantnagar to Bombay in view of the operational difficulties in moving the traffic *via*-Mormugao Harbour or Madras Harbour.	do.
98.	...	Mineral Ores & Industrial Corporation, Bombay.	Iron Ore.	Request for special rate from Chikjajur and Sasalu to Madras Harbour and Mormugao Harbour.	Request allowed to pend finalisation of revision of all special rates for the commodity. No further reference from party.
99.	...	J. N. Srinivasa Rao, Kurnool.	do.	Request for special rates from Koduru, Settigunta, Renigunta and Nayudupeta to Madras Harbour.	No reduction was agreed to as this comparatively short leads traffic could bear the full tariff rate.
100.	16 — 2—52	Hind Traders, Razampet.	do.	Request for special rate from Razampeta to Madras Harbour.	do.
101.	...	New India Corporation Ltd., Madras.	do.	Request for special rates from M. G. Stations to Vizagapatam Port.	Declined as other merchants booking bulk of ore traffic to this Port were able to despatch at Tariff rate.

102.	16— 2—52	Best & Co., Ltd., Madras.	Iron Ore	Request for special rates from Papinayakanahalli, Hospet, Gadiganuru and Tungabadra Dam and Cuddalore.	Declined in view of the poor track capacity over the Pakala-Dharmavaram section apart from other factors.
103.	23— 2—52 & 16— 2—52	Murugappa Agencies, Madras.	do.	Request for special rates from Yeshwantnagar and Tungabadra Dam to Madras Harbour.	No action was taken as he did not press for his request.
104.	23— 7—52	Devidayal Bros., (India) Ltd., Bombay.	do.	Request for special rates ex-Bellary to Mormugao and Masulipatam Port.	Advised party that special rates were already in force.
105.	26— 4—52	Indian Overseas Corporation, Bombay.	do.	Request for special rate from Bellary to Madras Harbour by the all M. G. route.	Declined in view of operational difficulties apart from other aspects.
106.	31— 5—52	Eashwarlal P. Patni, Bombay.	do.	Request for special rate from Papinyakanahalli to Vizagapatam Port.	Declined as other merchants booking bulk of the Ore traffic to this Port were able to despatch at Tariff rates.
107.	27— 5—52	Inden Biselers, Madras.	do.	Request for special rates from Hospet and Papinayakanahalli to Madras Harbour.	Advised party that rates were already in force.
108.	3— 6—52	Khemka & Co., Madras.	do.	Request for special rates from Mariammanhalli to Madras Harbour and Bombay.	Asked party to state as to how the prevailing rates were prohibitive. As no reply was received the matter was dropped.
109.	15— 7—52	Oomer Mian Sahib.	do.	Request for special rate from Gudupalli to Madras Harbour.	Declined as there was no justification in abating the tariff rate on this short-lead traffic.
110.	11— 7—52	Hind Traders, Razampet.	do.	Request for special rates from Razampeta and Cuddapah to Bombay.	Declined as all the existing special rates for Iron Ore were under review. (These special rates were subsequently cancelled).
111.	19— 9—52	P. M. Balasubramaniam, Madras.	do.	Request for special rates from Hospet and Guntakal to Cuddalore.	Declined in view of the poor capacity of the track between Pakala and Dharmavaram apart from other aspects.

STATEMENT No. 2.

(Annexure to answer to Question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
112.	9— 9—52 28— 5—52	National Tractors, Madras.	Iron Ore	Request for special rate from Timmancherala to Madras Harbour.	Declined as it was found that there were no mines at Timancherla.
113.	18— 3—52	Devidayal and Bros., Ltd., Bombay.	do.	Request for special rate from Chikjajur to Mormugao Harbour.	No rates were quoted in view of congestion at Mormugao Harbour.
114.	21— 5—52	Amirtam Kottaiah Naidu.	do.	Request for special rates from Gangayapalli and Nayudupeta to Madras Harbour.	Declined as all special rates from B. G. stations were cancelled. The traffic from Nayudupeta was also of short-lead.
115.	2— 4—52	General Transport, Bombay.	do.	Request for special rate from Timmanacherla to Madras Harbour.	Declined as it was found that there were no mines at Timancherla.
116.	5— 5—52	Eashwarlal P. Patni, Bombay.	do.	Represented that any contemplated enhancement in the rate for Iron ore should be deferred.	Request not complied with. But enhancements were effected as it was found that they were justified based on the prevailing prices and margin of profit.
117.	30— 3—52	Delshad & Co., Madras.	do.	Request for special rates from M. G. Stations to Vizagapatam.	Declined as other merchants booking bulk of traffic to this Port were able to despatch at tariff rates.
118.	22— 7—52	Indian Overseas Corporation, Bombay.	do.	do.	do.
119.	15— 9—52	A. P. Ramiah, Tandur.	do.	Request for special rate ex-Ramgad to Madras Harbour,	Declined in view of the oparational difficulties at Guntakal.
120.	25—11—52	Constructional Engineers' Corporation, Madras.	do.	Requested to re-introduce special rate from Guntakal to Bombay which was cancelled from 9-11-52 to enable them to clear the accumulated stuff.	Declined as the special rate had been retained for sufficiently long period to clear the accumulation.
121.	20—11—52	Jyothi Bros., Calcutta.			
122.	26—11—52	Indian Overseas Corporation, Bombay.			
123.	1—12—52	Rayalaseema Exporters Association.			

124.	11—11—52	Murugappa Agencies, Madras.	Iron Ore	Request for special rates from Hospet and Papinayakanhalli to Cocanada and Vizagapatam Port in two bits, i.e., separate special rates were requested from Hospet and Papinayakanahalli to Tadepalle on the M.G. and from Tadepalle to Cocanada and Vizagapatam Port on the B.G. treating the two bookings as two separate transactions.	Declined as the traffic could bear the existing rates based on price levels and margin of profit and cancellation of a number of special rates previously in force was under consideration.
125.	6—11—52	Jothi Brothers, Bellary.	do.	Request for special rates ex-Bellary to Cccanada and Vizagapatam Port.	do.
126.	23—11—52	Aruna Trading Corporation, Bombay.	do.	Request for special rates ex-Guntakal to Madras Harbour, Bombay and Vizagapatam Ports.	Declined as the traffic could bear the existing rates based on price levels and margin of profit and cancellation of a number ct special rates previously in force was under consideration.
127.	28—11—52	Constructional Engineers' Corporation, Madras.	do.	Request for special rates M. G. Stations to Cocanada and Vizagapatam Port.	do.
128.	29—10—52	Central Mining Corporation, Madras.	do.	Request for special rates from Dronachellam, Malkapuram and Rungapuram to Vizagapatam Port.	do.
129.	22—12—52	Devidayal (Sales) Ltd., Vizagapatam.	do.	Request for special rates from Hospet and Bellary to Vizagapatam.	do.
130.	15—12—52	G. V. Bunganna, Chikballapur.	Bamboos	Request for special rates for Bamboos ex-Bhadravati to Chikballapur, Devanhalli and Yeshwantpur in wagon loads stating that freight was recently raised from Rs. 60/- to Rs. 120/-	Request not complied with. The existing rate itself was very low and no reduction was possible. Party's statement that freight was raised from Rs. 60/- to Rs. 120/- recently was not correct as the rate continued to be in force from 1—10—48.

STATEMENT No. 2.

(Annexure to answer to Question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
131.	26— 4—52	Narialwala Industries Ltd., Tiptur.	Dessicated Cocoanuts.	Request for reduction in railway freight for dessicated cocoanuts to the minimum permissible level to encourage the industry.	Asked to make out a case for reduction to which no reply was received.
132.	19— 6—52	Indian Cancer Research Centre, Bombay.	Timber.	Request for quotation of special rate for movement of Timber for laboratory furniture from Dandeli to Bombay.	Declined as the Tariff rate was already based on a low wagon load scale and also as the quantity of traffic offered was negligible.
133.	9— 4—52	The Hyderabad Chemicals & Fertilizers Ltd., Secunderabad.	Phosphate	Request for special rate from Madras to Belampalli sothat the rate is reduced to the level of ores common.	Declined as it was not established by the party that the traffic could not bear the existing rate.
134.	14— 7—52	Shri Venkateswara Salt Cotaurs, Kakinada.	Salt	Special rate from Cocanada to Calcutta to enable them to compete with the manufacturers at Naupada.	Replied that movement of salt by rail from Coconada to West Bengal was not permitted.
135.	29— 7—52	The Mysore Mineral Syndicate, Bangalore.	Vermicelli	Request for special rate from Bangarapet to Madras Harbour for export to enable them to quote competitive prices to foreign buyers.	Declined as it was not possible to quote a rate economical to party.
136.	28— 2—52	G. C. Dorsett & Co., Ltd., Bombay.	Commercial Alcohol	Request for special rates from Anakapalle, Mandya and Kolhapur to Bombay based on six annas per gallon for export purposes.	Declined as Tariff rate prevailing was lower than the basis for the special rate asked for.

137.	29/31—3—52	The Mysore Iron and Steel Works, Bhadravati.	C. I. Pipes	Requested revival of special rates from Badravati to Poona, Manmad, Kolhapur and Kirloskarvadi.	Declined as C.I. Pipes were generally moving over long distances at Tariff rates.
138.	14— 7—52	The South Indian Swadesi Match manufacturers' Association, Satur. (Forwarded by Railway Board)	Matches safety	Requested reduction in classification to pre-war level and also special rate for matches safety.	Replied to Board setting out the existing pattern of movement and adding that there was not justification for acceding to the request.
139.	6— 2—52	A. G. Thiruvengadam Mudaliar, Bangalore.	Salt	Request for special rates from Tuticorin to Bangalore, Mysore etc.,	Declined as a low wagon load scale of rates was provided for this commodity.
140.	5/15— 3—52	K. B. Rajamanickam Mudaliar.	Salt	Request for special rates from Madras and Chinna-Ganjam to Vandalur.	Do.
141.	6— 2—52	V. P. Mohamed Oomermian Sahib, Madras.	Granite Stones	Requested special rates from Kuppam and Tirukoilur to Madras for export purposes.	Declined as the existing rates were based on a low wagon load scale of rate and the traffic could bear the rate.
142.	15—12—52	G. V. Buganna, Chickballapur.	Bamboos	Requested special rates from Bhadravati to Chickballapur, Devanhalli and Yeswantpur.	Declined as a low wagon load scale of rate was in existence for this traffic.
143.	10—11—52	The Director of Industries & Commerce, Mysore.	Agricultural Implements	Requested reduction in rates.	Declined as there was already a low classified rate.
144.	10—11—52	The Bengal Glass Manufacturers' Association.	Raw Materials used for the manufacture of glass and finished products.	Request for special rates.	Request was received from Railway Board and the Railway Board addressed the association to say as to how the existing rates were prohibitive.
145.	11—10—52	The Central Mining Corporation, Madras.	Iron Ore	Request for special rate ex-Veldurti to Madras.	Reduction refused as the question of retention or otherwise special rate was under consideration and it was not proposed to quote any fresh rates.
146.	12— 7—52	V. P. Mohamed Oomer Miyan Sahib, Madras.	do.	Request for special rate ex-Gudupalli to Madras.	Reduction refused as traffic could bear Tariff rates.

STATEMENT No. 2.

(Annexure to answer to Question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
147.	28— 1—52	The National Trading Company, Limited.	Manganese Ore	Request for special rate ex-Alnavar to Mormugao Harbour.	Refused as there was already a low wagonload scale of rates.
148.	7— 2—52	Oakeley Duncan & Co., Ltd., Bangalore.	do.	do.	do.
149.	4—4 —52	Thangal Kunju Musaliar & Sons, Limited. Quilon.	Tinned sheets.	Requested special rates from Tatanagar to Quilon and Cochin Harbour Terminus citing reference to special rate to Ernakulam Goods.	Declined as there was no commercial justification.
150.	30— 6—52	N. Sundareswaran, Quilon.			
151.	29— 2—52	United Commercial Works, Kanpur.	Sodium Sulphide	Requested special rates from Kanpur to Madras, Bombay and Calcutta to compete with imported stuff.	Declined as no case was made out to show that the existing rates were unreasonable.
152.	24— 6—52	N. Venkatrama Iyer, Contractor, Madras.	Firewood.	Requested reduced rates from Orissa to Madras State in view of the low price of the commodity.	Declined as traffic would be over the congested North East Line and in the direction of loads.
153.	4— 6—53	The Madras Oils & Seeds Association, 320, Linghi Chetty Street, Madras.	Chilian Nitrate.	Request for special rate on the basis of special rate quoted for Urea.	Declined pointing out that Chilian Nitrate was chargeable at WL/B scale of rate which was lower than the basis of special rates quoted for Urea.
154.	28— 5—53	Rallis India Limited, Madras.	do.	do.	do.
155.	6— 1—53	A. H. Bhiwandiwala & Company, Bangalore.	Manganese Ore	Request for special rate from Bhadravati to Madras Harbour.	Declined as the rates prevailing were reasonable based on price levels and margin of profit available.
156.	6— 2—53	Poddar Martin Mining & Minerals Limited, Bangalore.	do	Request for special rates from Banasandra and from Bangalore City and Bangalore Cantonment to Madras Harbour in view of tranship difficulties at Bangalore City.	do.

157.	12— 4—53	Poddar Martin Mining & Minerals Ltd., Calcutta.	Manganese Ore	The request was:—(1) that they were transporting ore to Yeswantpur in the first instance and rebooking the same from Bangalore City to Madras Harbour hauling the goods by road from Yeswantpur to Bangalore City in view of difficulty in Bangalore City and (2) therefore, on such combined bookings charges should be recovered on the through rate applicable from the M. G. stations through to Madras Harbour.	Declined as it was not shown how the prevailing rates were unworkable and the clear indications were that they were in fact workable.
158.	5— 1—53	Karnatac Mining Co., Bellary.	Iron Ore	Request for special rates from Adoni and Gooty to Bombay and Madras Harbour.	Declined as the question of cancellation of all special rates was being considered.
159.	7— 3—53	Indian Overseas Trading Corporation, Bombay.	do.	Request for special rates from stations in Hospet-Bellary area to Bombay.	Declined as all special rates were proposed to be cancelled based on the price levels and margin of profit available.
160.	9— 3—53		do.	Request for special rate from Guntakal to Bombay to enable them to bring the Ore to Guntakal by road and book thence by rail	do.
161.	18— 9—53	K. Raghuramiah, New Delhi.	do.	Request that freight rates to all ports from Bellary district stations should be made the same.	Declined as the request was against the principles of rate making.
162.	27— 5—53	Stoneware Pipes Madras Ltd., Calcutta.	Stoneware-Pipes.	Request for special rates from Trivellore to Calcutta as the existing rate was too high and with that it was not possible to compete in Calcutta Market.	Replied that any reduction in the Tariff rate was not justified as traffic was already moving over all railways at Tariff rates and as the railway could not manipulate its rates to nullify geographical advantage enjoyed by other competitors.
163.	20—11—53	A. Ranganayakulu & Co., Damalcheruvu.	Charcoal dust	Request for special rate from Damalcheruvu to Poona.	Declined as it was found that the reduced rate asked for was very uneconomical.

STATEMENT No. 2.

(Annexure to answer to Question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
164.	...	Jatti Satyanarayanarao Chiluvuru and others.	Tomatoes.	Special rates for tomatoes from Chiluvuru to Bapatla, Tenali etc.	Declined as traffic offering was not considerable and there was no element of competition.
165.	...	Hamidia Match Factory, Bhopal.	Splints, Veneers etc.	Request for special rates for Splints, Veneers etc., from stations in Malabar to Bhopal to enable the industry to reduce the cost of production.	Declined in view of the availability of the stuff at nearer sources and to discourage unnecessary long haul at the cost of railway freight.
166.	15— 6—53	Shri Hifagat Ali, Kokkar, Fatehpur.	Pepper.	Requested quotation of special rates from stations in Malabar to North India.	Declined in view of the high price of pepper.
167.	...	Ravishankar & Co.Madras.	Glass Broken	Requested reduced rate from Salt Cotaurs to Santagaon.	Declined as no case was made out for a reduction and no reply received from party who was addressed to state how the existing rate was unworkable.
168.	23— 6—53	A. G. Thiruvengadam Mudaliar, Bangalore	Salt.	Requested special rates ex. Madras and Chinna Ganjam to Sirpur Khagaznagar.	Asked to make out a case for reduction to which no reply received.
169.	18—12—53	The India Trade Agencies, Cochin.	Wooden Shooks	Request for special rates ex. Cochin Harbour Terminus to Guntur station, stating that merchants at Chalakudi were enjoying concessional rate.	Replied that there was no special rate for Shooks from Chalakudi and staff at Chalakudi who had charged shooks as for timber at wagon load scale wrongly were put right.
170.	27— 5—53	The Coimbatore Chamber of Commerce, Coimbatore.	Steel wire	Requested for special rate ex. Cochin Harbour Terminus or Madras to Ketti and Mettupalayam.	Dropped at party's request.
171.	21— 7—53	A. G. Thiruvengadam Mudaliar, Bangalore.	Salt	Requested special rate from Madras to Sirpur Khagaznagar.	Declined as a low wagon load scale of rate is in existence for this traffic.

172.	18— 9—53	P. Manickam Chettiar, Salem.	Sago	Requested for application of wagon load scale for Sago ex. Salem Market to Bombay, Calcutta and Delhi.	Declined as the traffic can well bear the tariff rates.
173.	18— 9—53	M. R. Natesan and others.	Plantains	Requested special rates charging as for bulky goods.	Declined as more than 120 maunds can be loaded in a B.G. 4-wheeler and more than 80 maunds in a M.G. 4-wheeler.
174.	—12—53	The Virudhunagar Chamber of Commerce Virudhunagar.	G. N. oil	Requested special rates from Virudhunagar to Shalimar alleging the existence of special rate from Erode to Shalimar.	Declined stating that there is no special rate from Erode.
175.	16— 9—53	P. Manickam Chettiar, Salem.	Sago	Requested application for wagon-load scale of rate to traffic in smalls also ex. Salem Market to Bombay, Calcutta and Delhi and also relaxation in the minimum weight for charge.	Declined pointing out rules in Tariff regarding clubbing of consignments.
176.	12— 6—53	Andhra Sugars Ltd., Tanuku.	Oxygen & Acetylene gases compressed	Requested concessional rates citing instance of special rate in force for dissolved gas ex. Waltair to Tanuku.	Declined on the ground that there are no special rates for dissolved gases and requesting to furnish instances, if any.
177.	6— 7—53	The Travancore Rayons Ltd.	Rayon yarn	Requested special rates for Rayon yarn ex. Alwaye to several stations.	Declined as traffic in this costly commodity can well bear the tariff rate.
178.	15— 9—53	The Metal Box Co., of India Ltd., Madras.	Tin plates	Requested for special rates from Tatanagar to Mangalore on re-booking basis at the special rate f om Tatanagar to Madras.	Replied that this will be considered later after taking a decision in regard to enhancement of special rate to Madras.
179.	21— 4—53	Shri Sharney Industrial Spiritual Colony.	Bottles	Request for special rate from Barang to Tikkoti	Party asked to justify how the tariff rate is prohibitive.
180.	6— 4—63	The Tamilnad Foodgrains Merchants' Association, Madurai.	Sugar	Request for special rate from stations in U.P. and Bihar states to Madura etc.	Matter was fully investigated and Railway Board were told that the traffic being over the congested North-East Section, it was considered best to let the things lie over for the present and to take action immediately our ability to carry traffic over the sections outruns the demand for transportation.

STATEMENT No. 2.

(Annexure to answer to Question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks
181.	22— 6—54	Mettur Chemical and Industries Corporation Limited.	Caustic Lye.	Request for special rate in Tank wagons from Mettur Dam to (1) Madras (2) Brajrajnagar.	(1) There was no commercial justification for quotation of special rates for hauls less than 485 miles, based on the aspect of equation of cost of both Caustic Soda solid, Caustic soda liquid. (2) For want of traffic prospects.
182.	3— 3—54	Travancore—Cochin Chemicals.	do.	Request for movement of Caustic Lye in tank wagons from Alwaye to Madras.	Declined for want of traffic prospects.
183.	26— 4—53	Mr. Sambhus Prasad Sah, Bara Bazaar, Baidyanath.	Salt.	Request for special rate from Tuticorin and Ennore to Calcutta.	Declined as salt is already charged at a low wagon load scale and any reduction in these rates will only result in a rate war with the steamship companies who carried traffic as backload. Further the decision of the shipping co-ordination was awaited.
184.	7— 4—54	Mr. Chandishah Bhola Shah, Baidyanath.			
185.	21— 2—54	Mr. M. Chinniah, Charcoal and Firewood Merchant, 14/230, Nawab Hakim Road, Coimbatore.	Firewood.	Request for special rate from Mettupalayam to Madras on the ground that special rates are in existence from stations in Malabar District.	Declined pointing out that no special rates were in force for this commodity over this Railway.
186.	25—11—54	Mr. M. Kuppuswamy Naicker, 15, Sembudoss Street, Madras.	Iron or Steel Division 'B'.	Request for special rates from Bhadravati to Madras Harbour via Hindupur, Dharmavaram and Katpadi a longer and dearer route.	Declined as there was no operating difficulty in the movement of traffic via the shortest route.
187.	18— 9—53	The India Alkalies Limited, 5, Ganstin Place, Calcutta.	Barytes.	Request for movement from Cuddapah, Cuddalore area to Calcutta.	Declined as no case had been made out as to how the present rates are unduly high and as the traffic is already chargeable at a low wagon load scale.

188.	19—11—54	Messrs. Pure Products and Madhu Canning Limited, Bombay.	Canned Food Products.	Request for special rates from Trichur to Bombay, Delhi etc.	Declined as there was no commercial justification for the compliance of the request based on the cost economics of the industry.
189.	14— 8—54	General Manager, Government Dichromite Factory, Belagula.	Bichromite of Soda and certain other raw materials.	Request for special rates of certain raw materials to Belagula and finished products viz., Bichromite of soda to Madras, Calcutta and Kanpur.	Declined as traffic prospects did not warrant reduction in the existing rates.
190.	23— 8—54	Mr. Aittagath Abdulla Kunhi, Camp Bazaar, Cannanore.	Fish Oil.	Request for special rate from Valapatnam and Cannanore to Calcutta, Kanpur and Bombay.	Declined as traffic prospects did not justify a reduction in rates.
191.	12—11—54	The East India Distilleries and Sugars, Limited, Madras.	Stoneware, N.O.C.	Request for special rates from Ranipet to several stations.	Party addressed to make out a case for reduction in the existing rates and a reply is awaited.
192.	26— 4—54	M/s. Best & Co , Ltd., Madras.	Coffee.	Request for special rate from Mangalore to Madras.	Declined as traffic is able to bear the tariff rates and there was no justification for reduction.
193.	23— 1—54	Secretary, The South Indian Swadeshi Match Manufacturers' Association, Satur.	Match Wax.	Request for special rates from Madras to Satur, Sivakasi, Kovilpatti etc.	Declined as there was no commercial justification for any reduction in the existing rates
194.	18— 2—54	Lakshmi Starch Factory Ltd., Kundara.	Cattle Food.	Request for special rates from Porto Novo to Bombay.	Declined as the traffic prospects do not warrant any reduction in the existing rate.
195.	29— 9—54	The Secretary, Arecanut Merchants' Association, Shimoga.	Arecanuts.	Request for special rate to Madras and Bellary from Shimoga.	Party addressed to make out a case for reduction to which a reply is awaited.
196.	15— 9—54	Ramakrishna Industries Ltd., 7, Peelamedu, Coimbatore.	Pig Iron, Iron Materials Coke and other Commercial commodities.	Request for extension of special rates for Pig Iron Iron materials etc. from Bhadravati to Calcutta etc. to Coimbatore and Peelamedu.	Declined as there are no special rates at present from Bhadravati, Calcutta etc. to Coimbatore.
197.	1— 7—54	Mr. Abdullah, No. 4, Chowk Majid Lane, Ambur.	Hide Salt.	Request for special rate from Tuticorin to Ambur etc.	Declined as traffic is already chargeable at a low wagon load scale.

STATEMENT No. 2.

(Annexure to answer to Question No. 28.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
198.	9— 8—54	Mr. Y. M Patel, Contractor, Belavamitri P. O.	Stones.	Request for special rates from Badami to Mallapur.	Declined as the commodity is charged at a low wagonload scale and in view of the short haul involved.
199.	18—12—54	Shri Mansingka Oil Mills Ltd., Khandwa.	Cotton Seeds.	Request for special rates from Adoni to Amraoti and Khandwa.	Declined as there was no case for reduction in the existing tariff rates.
200.	1—12—54	M/s. Rex & Co., 181, Deveraj Mudali St., Madras.	Wood Tar.	Request for special rate.	Declined as the commodity is already charged at a low wagon load scale and there are no prospects for any additional traffic.
201.	11—10—54	Mr. B. Chengal Rao, General Merchant, Roberstonpet.	Granite stones.	Request for special rates from Tyakal to K. G. F. stations.	Declined as the commodity is already charged at a low wagon load scale of rate and in view of the short lead involved *viz.*, 20 miles.
202.	26—10—54	Tiruchirapalli District Timber and Tiles Merchants' Association, Trichinopoly.	Tiles.	Request for a general reduction in rates for movement of tiles.	Declined as traffic was able to bear the existing rate which is already based on a low wagonload scale.
203.	3—10—54	The Tahsildar, Omalur.	do.	Request for special rate from Pudukad to Lokur.	do.
204.	25 - 5—54	The Hon. Secretary, Malabar Tiles Manufacturers' Association, Ferok.	do.	Request for special rate from West Coast stations to stations in North India.	do.
205.	I6— 2—54	Constructional Engineers' Corporation, Madras.	Ore	Request for special rate from Guntakal to Bombay.	Declined as traffic could bear tariff rate.
206.	3— 5—54	Rai Bahadur Seth Sriram Bahadur, Hospet.	Ore	Request for special rate from Hospet and Papinayakanahalli to various ports.	do.
207.	...	Reference received from Railway Board regarding Memorandum presented to the Deputy Minister for Railways (at Mangalore) by the Tile Manufacturers' Association, Mangalore.	Tiles	Request for reduction in Railway Freight in general for tiles.	Advised Board that there was no justification for any abatement in rates and that the request arose on account of other factories having sprung up nearer the markets.

208.	15— 6—54	M. V. Gowridas, Timber Merchant, Podanur.	Saw dust	Reduction in rates asked for from Calicut to Podanur.	Party asked to state how the existing rates are prohibitive. Reply awaited.
209.	8— 5—54	The Cochin Chamber of Commerce, Cochin.	Tea	Request for special rates from Nilambur to Cochin.	Asked to furnish full facts and figures to show how the traffic cannot bear the existing rate. No reply received.
210.	11— 1—54	Secretary, North Malabar Chamber of Commerce, Cannanore. (Memorandum to Deputy Minister of Railways).	Tea Chest Panels	Request for special rates to an appreciable extent and also to provide for a wagon load scale for the commodity.	Declined The matter had also gone up before the Railway Rates Tribunal who decided in favour of the Railway.
211.	25— 1—54	Bangalore Woollen Cotton and Silk Mills Ltd., Bangalore.	Cotton cloth and woollen goods	Request for special rates for wagon loads from Bangalore to Shalimar, Wadi Bunder etc.	Declined as traffic in these costly commodities move over long distances at the existing rates and can well bear the tariff rate.
212.	5— 2—54	The Dindigul Exporters' Association, Dindigul.	Onions	Request for special rates from Dindigul to Madras, Tuticorin etc.	Declined as what was really needed was quick transit and not lower rates.
213.	26— 2—54	Sri Krishna Tiles and Potteries, (Madras) Ltd., Madras.	Roofing Tiles	Request for special rates.	The firm was asked to make out a case as to how the traffic is unable to bear the existing tariff rates—No reply received.
214.	18— 2—54	Kalpana Agencies, Madras.	Bagassee	Request for special rates.	Request withdrawn as party was not interested.
215.	5— 1—54	E. Gopala Krishna Nadar.	Fibre	Request for special rates from Gudur to Tuticorin.	Declined as the applicants did not state whether the traffic cannot bear the existing rates.
216.	19— 2—57	The Southern India Mill Owners' Association, Coimbatore.	Piecegoods	Request for special rates from Coimbatore, Tiruppur, Erode etc., to Bombay and Calcutta.	Declined as traffic in this costly commodity can well bear the tariff rate.
217.	18— 2—54	The Assistant Secretary to Government, P. W. D., Madras, on a representation made by Sugarcane Growers' Association, Valavanur.	Sugarcane	Request for special rates.	Asked to make out a case for reduction—No reply received,
218.	11— 5—54	Malabar Fisheries Co., Feroke.	Fish in tins.	Request for special rate from Feroke.	Declined as traffic offering was negligible.
219.	3— 2— 54	Burmah-Shell, Madras.	Petrol	Request for special rate from Mettupalayam to Ootacamund.	Asked to make out a case for reduction and the traffic that can be guaranteed—No reply was received.

STATEMENT No. 2.

(Annexure to answer to Question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
220.	6— 2—54	The Erode Tannery Merchants' Association.	Hides & skins	Request for special rate ex. Erode to Madras.	Asked to make out a case for reduction—no reply received.
221.	26— 5—54	Fruit Merchants' Association, Calcutta.	Mangoes	Request for special rate from Anakapalle, Rajahmundry etc., to Calcutta.	do
222.	11— 1—54	The North Malabar Chamber of Commerce, Cannanore.	Pepper	Request for special rate to Shalimar.	Declined as there was no commercial justification for any abatement as the freight formed quite a negligible proportion of the over-all prices of pepper.
223.	26— 5—54	The Asbestos Cement Co., Ltd., Podanur.	Cement	Request for special rate from Madukarai to Podanur.	Declined for operating reasons.
224.	22— 3—54	Damli Bros., Belgaum.	Fireclay & sand	Request for special rate from Londa, Khanapur and Bagalkot to Bombay on the basis of pre-war rates.	Addressed party to make out a case to show how traffic cannot bear the tariff rates—No reply received.
225.	8— 4—54	The Cochin Tin Factory, Cochin.	Tins	Request for special rates from Feroke or Cochin Harbour Terminus to Mangalore.	Asked to furnish details to show how the existing rate was prohibitive.
226.	15— 4—54	Malabar Fisheries Co., Feroke.	Tins	Request for special rates from Feroke to Mangalore and Cochin Harbour Terminus.	do.
227.	31— 1—54	Cashewnut Manufacturers, Mangalore.	Cashewnuts	Request for special rate from stations on the West Coast and Cochin Harbour Terminus to Mangalore to stimulate movement and protect the industry.	Declined as this costly commodity can well bear the existing rate.

228.	16— 1—54	Kalyanam Tile Co., Pudukad.	Tiles & Bricks	Request for special rates ex. Pudukad, Trichur and Cllore to Cochin Harbour Terminus	Declined as Tiles are already moving a Tariff rates and the railway could not accept the reason for the request for special rate *viz.*, competing with exporters from Mangalore and Feroke.
229.	24— 3—54	K. Kunjo & Bros.	Sago rice & Starch	Request for special rate as in the case of movements from Salem & Cochin Harbour Terminus to Calcutta.	Party asked to furnish details justifying his request.
230.	8— 4—54	S. V. Sadasivam, Pattukkottai.	Fire-wood	Request for special rate ex. Pattukkottai to Madras	Declined as firewood is already charged charged at a low wagon load scale rate and traffic was freely moving at this rate.
231.	8— 5—54	The Traders' Association, Cochin.	Tea	Request for special rate from Nilambur to Cochin	Asked party to show how the existing rate is prohibitive.
232.	22— 6—54	Harrison & Crossfield, Calicut.	do.	do.	do.
233.	23— 2—54	Quarry Owners & Cuddapah Slate Merchants' Association.	Cuddapah slabs	Requested the Governor of Andhra for restoration of rates for movement of Cuddapah slabs in force in force in 1930. Governor addressed the Railway Board in the matter	Postwar increase in rates have been moderate and substantially less than either the increase in food rates or the increase in operating costs and the rates are not beyond the ability of the traffic to bear. The real difficulty for these slabs is growing competition with cement.
234.	22— 6—54	P. Subba Rao, Tenali.	Starched Rice	Request for special rate from stations in Andhra District outside the district.	Declined as the quantity of traffic offered was only three tons.
235.	...	K. Madhava Panikkar, Ceramic Expert, Kundara.	China Clay and Crockery	Request for special rates from Kundara to Bombay and Shalimar	It has been decided regarding China clay that there was no case for any reduction or quotation of special rates for the reason that there is no competition now by the sea route and a lowering below the low wagon load scale will have repercussions elsewhere.
236.	13—11—54	The Goodwill Trading Agencies, Merchants, Coonoor.	Timber Sand	Request for special rate from Mettupalayam to Wellington	Declined as commodity was already charged at a low wagon load scale of rate.

STATEMENT No. 2.

(Annexure to answer to Question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
237.	13— 4—54	Bharat Barrel & Drum Manufacturing Co., Ltd, Calcutta.	Tin Containers.	Request for special rate from Shalimar as in the case of Bombay.	Replied that there were no special rates from Bombay and asked to make out a case for reduction ex. Shalimar.
238	26— 1—54	N. V. Gowridas, Podanur.	Saw Dust.	Request for special rate from Calicut to podanur.	Declined as there was no prospect of appreciable traffic and there was no competition in movement.
239.	21— 1—55	T. Stanes & Co., Ltd., Coimbatore.	Urea for Manurial purposes	Request for special rate from Madras to Tudiyalur and Tudiyalur to Cochin Harbour Terminus.	Declined as the traffic prospect did not warrant any abatement in rates.
240.	15— 8—55	Hindusthan Materials Ltd., Bombay.	C. I. Pipes.	Request for special rates from Bhadravati to Bombay.	Declined as traffic was able to bear the tariff rate.
241.	19— 1—55	The Secretary to the Government of Mysore, Bangalore.	Firewood.	Request for special rates from several stations in the Mysore State.	Declined as traffic was already moving at a low wagon load scale of rate.
242.	22— 6—55	Shri Sankara Allom Ltd., 4636, Meenakshipuram, Nagarcoil.	Gypsum.	Request for special rate from Nagarcoil to Madukarai.	Party advised to furnish details of cost economics in support of the request. Reply awaited.
243	26— 7—55	Shri Chennabasappa Ravana Sivanna, Hundekar, Almatti.	Clay Pots.	Request for special rate from Almatti.	Declined as this was short-lead traffic.
244.	9— 4—55	Sha Khimji Velji & Co., 62, Dontad St., Khadak, Bombay.	Mattings.	Request for special rates from Tinnevelly to Bombay,	Declined as no *prima facie* case has been made out for special rate.
245.	15— 3—55	P. E. Boyce & Sons, Importers, Belgaum.	Leather NOC.	Request for special rate from Belgaum.	Declined as prospect negligible.
246.	22— 3—55	South India Starch Products, Beach Road, Portonovo.	Tapioca Waste fibre.	Request for special rate from Portonovo to Bombay.	Declined as no traffic prospects.

247.	10— 5—55	Sandata Cotton Seed Utilisation Ltd., New Citizen Bank House, Palton Road, Bombay.	Vegetable oil.	Request for special rate for vegetable oils in tank wagons from Hubli to Bombay and Madras.	Declined as there was no commercial justification for the compliance of the request.
248.	15— 3—55	The Hindusthan Materials Ltd., 231, Dadaboi Nowroji Road, Bombay.	C. I. Pipes.	Request for special rate from Bhadravati to Bombay.	Declined as there was no case for a reduction and the party has not stated how the existing tariff rates are causing hardship or how the traffic was unable to bear the tariff rates.
249.	12— 5—55	N. Giriappa Gowder, Glanrock, Ooty.	Potatoes.	Request for special rate from Mettupalaiyam to Shalimar, Bombay etc.	Declined as traffic was able to bear the existing rate.
250.	5— 2—55	K. J. Mathew, Contractor and Tile Merchant, Angamaly.	Tiles.	Request for special rate from West Coast stations to Bombay, Nagpur etc.	Declined as the commodity is chargeable on a low wagon load scale of rate and traffic is able to bear these rates.
251.	9— 1—55	Secretary, Andhra Chamber of Commerce.	Iron & Manganese Ore.	Request for special rate from Ore booking stations to Madras, Kakinada Vizagapatam and Bombay.	Declined as per direction of the Board as there was no justification to make any reduction in the existing retes.
252.	12—12—54	V. S. Lall, Mine Owner, Sandur.	Iron Ore.	Request for special rate from Bellary area.	do
253.	12— 7—54	Dalmia Cement (Bharat) Ltd.	Iron Ore.	Request for special rate from Guntakal and Gooty to Bombay.	do
254.	16— 4—55	D. V. Joshi, Mine Owners, Veldurti.	Iron Ore.	Request for special rate from Gooty to Bombay.	do
255.	1— 9—55	Amichand Doss Dwarkdass, 8. Nowroji Road, Chetpet, Madras.	Iron Ore.	Request for special rate from Bellary area to Madras, Cocanada, Vizagapatam & Masulipatam.	do
256.	23— 6—55	Bhagwant Rao, Hundekar, Almatti.	Cotton raw (loose).	Request for special rate from Almatti to Gokak Road.	Declined as quotation of any special rate would not cover at least the cost of haulage and the traffic was in the direction of loads.
257.	9— 8—55	The Municipal Commissioner, Mannargudi.	Road metals	Requested reduced rates from Tanjore & Tiruverrumbur to Mannargudi.	Declined as the commodity is already charged at a low wagon load scale of rate and in view of the short distances *viz.*, 27 and 52 miles from Tanjore and Tiruverumbur respectively.

STATEMENT No. 2.

(Annexure to answer to Question No. 28 contd.)

S. No.	Date of Application	Address of Applicant	Commodity	Gist of Request	Remarks.
258.	23— 1—55	The Municipal Commissioner, Tanjore.	Road metals.	Requested quotation of special rates.	Party asked to state how the traffic cannot bear the existing tariff rate and also to furnish particulars of defails of proposed movement.
259.	14—10—55	The President, District Board, Tanjore.	do	do	do.
260.	5— 3—55	The Bharat Chamber of Commerce.	Black Pepper	Request for special rate from Cochin Harbour, Cannanore etc. to Shalimar.	Request declined as there was no justification for Quotation of special rates based on value of service.
261.	8— 6—55 25—10—55	Bharati & Co , Prodattur.	Ghee.	Request for special rate from Yerraguntla to Delhi, Calcutta and Amritsar.	Declined as no case was made out to justify quotation of a special rate.
262.	27—12—49	India Cements Ltd.	Gypsum.	Request for special rate from Sulurpet to Talaiyuthu.	Special rate refused as the rate asked for gave a low wagon-mile return which was not economical.
263.	...	District Agricultural Officer, Pattukkottai.	Composite Manure.	Request for special rates from Tiruvarur, Negapatam and Kumbakonam to stations between Periapatnam and Agastiampalli.	Declined as the tariff rate WL/A was low.
264.	27— 1—50	Raj Poddars Ltd., Madras.	Iron Ore.	Request for special rates from Cuddapah and Krishnapuram to Madras.	Declined as no case was made out by the firm.
265.	23— 9—53	Dalmia Cement (Bharat) Dalmiapuram.	Cement	Request for special rate *ex*-Dalmiapuram to stations on the Assam Railway, Shalimar and stations on the C. G. Railway.	Special rate to Shalimar declined on the ground that any reduction in the rail rates would only be used as a lever by the factory to bring down the sea freight and ultimately the traffic would still go by steamer. Rates to C.G. Railway declined as the C. G. Railway were not agreeable to effect any reduction and as there was likelihood of the Ceylon Government increasing the import duty which would in the net result not give any benefit to the Cement factory.

266.	10— 2—55	Dalmia Cement (Bharat), Dalmiapuram.	Cement	Request for special rate from Dalmiapuram to Cuddalore and Tuticorin for export to Ceylon.	Reduction refused as there was no commercial justification nor any carrier competition.
267.	25— 2—55	United Trading Corporation, Madras.	Rice	Request for special rate from stations in Tanjore district to Maradana on the C. G. Railway.	Refused as the prospects of traffic were poor.
268.	4— 3—55	The Western India Minerals Association, Bombay.	Manganese Ore.	Request for special rate *ex.* Londa and Dandeli to Bombay.	Declined as the rates charged are reasonable based on price levels and the margin of profit available.

PART II.

Q: (a). A random sampling of commodities having both R.R. and O.R classifications and booked from stations on this railway was made for a period of three months (September to November, 1955) at important stations having traffic in such commodities. The quanitity in each of the commodities booked during the period at R.R. and O.R, is given in the enclosed statement.

It will be seen that wherever commodities are given, both R.R. and O.R. rates, they move generally at O.R. rates.

(b) The main commodity on this Railway which traders prefer to book at higher railway risk rates where alternative owner's risk rates are available is 'Piecegoods'.

(c) There is no appreciable change in this practice in this respect.

QUANTITY OF TRAFFIC BOOKED IN CERTAIN COMMODITIES AT OR & RR.

(Annexure to Answer to Question No. 1. PART II.)

Serial No.	COMMODITY	Station	At "OR"				At "RR"			
			Wagon-Loads		Smalls		Wagon-Loads		Smalls	
			No. of Invoices	Mds.	No. of Invoices	Mds.	No. of Invoices	Mds.	No. of Invoices	Mds.
1.	Barytes	Dronachellam	5	2,996	...	...	...	...	...	...
2.	Caustic Soda liquor	Mettur Dam	8	3,638	...	...	...	...	...	...
3.	Charcoal Fuel	Dronachellam	11	3,120	...	...	...	...	...	...
		Gudur	...	...	53	1,297	...	...	...	...
		Malaka Vemala	7	1,440	...	...	...	...	...	...
		Olavakkot	4	1,200	84	790	...	...	...	...
		Razampeta	11	3,300	...	...	...	...	...	...
4.	Cocoanut Oil	Quilon	219	35,744	2,834	26,902	...	...	...	...
5.	Firewood	Dhanishpet	5	1,350	...	...	...	...	...	...
		Tirupattur	2	540	...	...	...	...	...	...
		Vaiyampatti	96	21,120	5	56	...	...	...	...
		Razampeta	27	7,290	...	...	...	...	...	...
6.	Ghee	Coimbatore	...	...	42	56	...	...	...	...
7.	Glassware Division C	Karad	2,088	11,859	644	1,412	185	1,034	1	...
8.	Groundnut oil	Adoni—In containers	237	80,128	...	...	...	...	...	...
		In Bulk	61	31,725	...	...	...	...	...	...
		Nandyal	90	24,260	4	250	...	...	...	...
		Raichur—In containers	4	1,223	...	...	...	...	...	...
		In Bulk	108	56,259	...	...	...	...	...	...
		Royapuram—In containers	160	54,489	...	...	...	...	...	...
		In Bulk	24	11,903	...	...	...	...	...	...
9.	Gypsum	Bikshandarkoil	26	13,000	...	...	...	...	...	...
		Pullambadi	27	13,500	...	...	...	...	...	...
10.	Iron Ore	Hospet	608	8,37,044	...	...	...	...	...	...
		Papinyakanahalli	225	2,69,285	...	...	...	...	...	...

11.	Lime & Lime stone	Dronachellam	84	85,076	2	60	...	...	...	...
		Panyam	12	12,491	...	...	...	...	...	...
12.	Liquid Chlorine	Mettur Dam	36	10,536	...	...	...	...	130	1,600
13.	Manganese Ore	Samehalli	121	17,86,699	...	...	...	...	...	...
14.	Matches Safety	Sattur	298	22,302	51	129	...	...	...	...
		Tiruvottiyur	47	11,109	...	...	...	...	...	...
15.	Molasses	Anakapalle—In containers	4	1,583	...	...	...	...	...	...
		Nellikuppam	...	...	47	1,209	...	...	...	...
		Pithapuram—In Bulk	4	2,043	...	...	...	...	...	...
		Pugalur	33	13,200	15	175	...	...	...	...
16.	Oilcake	Bellary	144	56,672	...	...	...	...	...	...
		Dronachellam	36	16,542	1	91	...	...	...	...
		Nandyal	12	7,073	...	...	...	...	...	...
17.	Onions	Cuddapah	...	...	2	98	...	...	...	...
		Dindigul	10	2,647	14	92	...	...	...	...
		Muddanuru	2	800	32	839	...	...	...	...
18.	Piecegoods	Coimbatore	178	20,403	2,822	49,477	1	380	...	...
		Perambur Mill Siding	...	...	61	1,360	9	3,084	211	5,105
19.	Reinforced concrete	Dalmiapuram	81	18,960	...	...	...	...	...	...
		Srirangam	19	1,720	7	119	...	...	...	...
20.	Slates writing	Markapur Road	117	11,217	4,130	10,064	...	...	6	90
21.	Tiles, Common roofing	Calicut	1	613	...	...	...	...	...	...
		Pudukad	152	91,893	...	...	...	...	...	...

Q: 4 There has definitely been a marked increase in the payment of compensation claims by this Railway after the last War and the principal commodities in respect of which compensation claims were paid by this Railway were piecegoods, iron articles, grain and pulses, seeds common, oilseeds and sugar. The amount of claim paid by this Railway during each of the financial years 1940-41 to 1954-1955 was as under:

1940-41	79,436	These are figures for the Ex. M. S. M and Ex. S. I. Railways only.
1941-42	1,26,336	
1942-43	2,44,323	
1943-44	8,02,210	
1944-45	12,23,583	
1945-46	12,27,401	
1946-47	10,80,970	
1947-48	17,12,303	Similar figures for Ex. MS Railway are not available.
1948-49	29,57,749	
1949-50	29,73,185	
1950-51	24,65,097	
1951-52	33,42,484	Southern Railway.
1952-53	37,09,864	
1953-54	41,60,536	
1954-55	32,60,231	

Separate figures in respect of principal commodities were not maintained for the years prior to 1952-53 and hence such details are not furnished here. The details for the years 1952-53 to 1954-55 are however given below;

Commodity.	Amount paid.		
	1952-53	1953-54	1954-55
	Rs.	Rs.	Rs.
Piece Goods	5,99,584	5,06,261	3,62,216
Iron articles	1,69,521	2,46,502	2,23,485
Grain & Pulses, seeds common & oil seeds.	8,70,605	14,61,365	10,30,829
Sugar	3,61,729	2,71,362	1,35,755

As regards the volume of traffic (local and foreign outwards) dealt with in each of these commodities, as far as statistics are available now, the same is furnished in Statement No. 1 attached.

Regarding the relative selling prices of the commodities, the same, as far as available, are furnished in Statement No. 2 attached.

Quantity of traffic moved in certain commodities-Local & Foreign Outwards.
(Annexure to Answer to Question No. 4.—Statement No. 1)

Year.	Cotton manufactured.	Grain and pulse.	Oil seeds.	Sugar.	Other commodities.
Ex. M. S. M.	Mds.	Mds.	Mds.	Mds.	Mds.
1940-41	1,261,356	14,343,001	2,016,473	3,804,184	30,931,528
1941-42	1,352,371	17,632,104	1,899,131	3,813,061	37,325,987
1942-43	1,519,532	21,478,688	2,091,501	2,987,975	43,793,449
1943-44	1,478,490	18,086,606	1,784,584	3,736,425	50,566,509
1944-45	1,427,719	20,919,207	2,458,353	4,078,167	73,014,525
1945-46	1,090,829	18,846,901	2,113,883	4,371,443	76,152,187
1946-47	1,020,136	28,034,408	1,104,363	2,796,947	54,827,073
1947-48	744,055	19,784,433	2,067,364	4,554,553	44,570,498
1948-49	885,242	25,783,477	1,927,893	4,400,768	54,538,436
1949-50	889,993	24,740,079	1,954,421	3,464,319	58,752,117
1950-51	588,163	20,723,223	2,166,480	2,208,772	55,214,553
April 1951—August 1951 Southern Railway	149,703	8,996,305	570,263	1,192,343	20,593,557
September 1951—March 1952	1,575,961	26,700,035	1,390,970	6,507,509	69,266,680
1952-53	2,636,410	48,200,627	2,420,079	6,256,021	127,107,526
1953-54*	2,617,611	42,027,087	2,074,699	6,089,535	129,945,875

* The figures for this year are provisional.

Note: Similar figures in respect of *Ex* S. I. and *Ex*. M. S. M. Railways for the period 1940-41 to August 1951 are not available.

STATEMENT No. 2.

ANNEXURE to A: to Q: No. 4. PART II

WHOLESALE PRICE PER MAUND OF 82·29 LBS. (MADRAS).

Commodity	1937—39 Prices Ranging.		1940—45 Prices Ranging.		1945—50 Prices Ranging.		1950—55 Prices Ranging.	
	From.	To.	From.	To.	From.	To.	From.	To.
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Piece Goods—								
Yarn — 20s and 40s	33 8	61 8	51 4	112 12	87 0	97 6	112 12	129 6
					115 0	213 0	215 0	300 0
Mull	36 0	40 0	56 8	87 8	143 0	230 0	202 8	225 8
Long Cloth	47 0	50 0	64 6	182 0	187 8	170 0	160 0	175 0
Grey cloth	49 4	61 8	63 3	146 0	107 0	135 8	158 0	150 0
Glasco and 1703	...	...	470 0	(1940)	1,600 0	2,200 0	...	...
B & C Mills Shirting and Coating ...	*85 0	120 0	*115 0	288 8	*315 0	500 0	*415 8	*960 0
Ordinary other Mills Coating and Shirting ...	55 0	90 0	105 0	200 0	155 0	250 0	270 0	560 0
Handloom (Sarees and Dhothis) ...	60 0	120 0	110 0	220 0	240 0	400 0	455 0	740 0
Grain and Pulses—								
Paddy	2 0	2 15	3 12	6 12	4 15	7 11	8 0	11 12
Rice	3 0	4 14	7 0	12 13	7 0	14 3	12 12	20 10
Cholam	2 4	3 6	7 1	11 3	7 0	8 15	9 0	10 12
Bajra	2 4	3 13	6 14	9 12	7 0	8 13	8 0	10 8
Ragi	2 8	3 6	5 5	13 5	7 0	8 8	7 14	10 4
Black gram	10 0	12 8	14 0	20 0	21 3	28 3	28 3	20 0
Bengal gram	8 8	10 0	14 0	18 0	17 10	16 0	12 8	13 5
Red gram	9 8	12 0	12 0	20 0	21 12	22 6	23 15	25 0
Wheat	2 9	3 4	8 4	12 3	12 6	15 5	15 5	17 0
Oil seeds—								
Cotton seed	1 9	2 12	2 10	10 6	9 8	14 0	12 6	10 14
Groundnut kernels	3 2	4 12	3 3	11 0	13 10	33 0	31 0	20 4
Gingelly seeds	5 7	6 5	6 2	23 5	23 2	39 10	41 10	28 11
Castor seeds	4 6	5 4	5 0	14 8	14 8	26 5	28 12	20 15
Lin seeds	5 0	5 14	4 11	11 8	13 8	29 14	...	30 12
Rape seed...	4 4	5 0	4 0	14 0	14 0	21 12	22 0	33 3

ANNEXURE to A : Q : No. 4 PART II. (contd.)

Commodity	1937—39 Prices Ranging		1940—45 Prices Ranging		1945—50 Prices Ranging		1950—55 Prices Ranging		
	From	To	From	To	From	To	From	To	
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	
Seeds common—									
Coriander	7 0	9 8	11 0	27 0	25 0	48 0	45 0	35 0	
Iron Articles—									
Bars and Rods	9 4	...	12 5	22 1	8 4	11 12	14 0	18 12	
G. C. Sheets	...	18 8	13 5	16 0	11 8	17 9	23 14	27 4	
Barbed Wire	...	15 8	...	...	21 5	25 14	...	25 14	
Bolts and Nuts	...	17 11	...	...	42 0	58 0	55 0	70 0	Different kinds.
Pipes (approximate)	12 8	15 0	...	...	30 0	55 0	40 0	68 0	Do.
Nails	8 8	14 0	24 0	66 2	30 5	39 14	...	35 3	
Structural plates.					8 0	12 0	14 4	19 0	
Plates Ordinary.					7 12	13 15	16 1	22 0	
Boiler Plates.					8 4	15 0	19 3	24 0	
Black Sheets.					9 1	14 5	16 15	19 13	
Fish Plates					9 6	13 14	16 1	21 14	
Tool Steel Bars.		NOT AVAILABLE.			13 12	17 9	20 3	22 15	
Box Strapping					33 15	40 6	41 8	43 6	
Hoops.					28 8	23 14	23 8	29 10	
Hard Wire.					14 13	21 4	...	21 4	
Galv. Wire.					18 8	23 2	...	23 2	
Metal Wire.					62 3	66 14	...	66 14	
Blooms, Billets.					7 2	8 12	10 10	14 4	
Sugar	6 13	10 4	9 3	16 12	16 12	30 8	28 10	30 0	

* Estimated prices ; others are approximate.

Q: 5. (a) The following is the cause-wise Annlysis of claims paid during 1954-55 as maintained in this office.

		Rs.	
(1)	Thefts and pilferages:	11,25,478/-	40%
(2)	Damage by wet and stains	3,44,084/-	12%
(3)	Damage by fire	2,744/-	...
(4)	Damage by deterioration	68,547/-	2%
(5)	Damage by breakage	37,500/-	1%
(6)	Damage by leakage	71,203/-	3%
(7)	Misc. Exchanges	22,719/	1%
(8)	Loss of complete consignment or packages:	11,85,655/-	41%
	Total	28,57,930	

(b) Separate figures for claims preferred and claims paid are not maintained in this office.

(c) Claims statistics are maintained only for total number of cases paid and repudiated. The cause-wise break down for the claims repudiated is not maintained. The total number of claims paid and claims repudiated for the year 1954-55 is furnished below :—

No. of claims cases

Month		Paid	Repudiated	Total
April	54	2548	1551	4099
May	54	2649	1581	4230
June	54	3191	1548	4739
July	54	3097	1614	4711
Aug.	54	3063	1441	4504
Sept.	54	2762	1275	4037
Oct.	54	2426	1112	3538
Nov.	54	2957	1475	4432
Dec.	54	2597	1577	4174
Jan.	55	2366	1264	3630
Feb.	55	2492	1581	4673
March	55	2378	1395	3773

Q: 6. No. statistics are maintained.

Q: 11. Section 75 of the Indian Railways Act (Act IX of 1890) reads as under :—

(1) When any articles mentioned in the second schedule are contained in any parcel or package delivered to a railway administration for carriage by railway, and the value of such articles in the parcel or package exceeds (three hundred rupees), the railway administration shall not be responsible for the loss, destruction or deterioriation of the parcel or package unless the person sending or delivering the parcel or package to the administration caused its value and contents (to be declared in writing or declared them in writing at the time of the delivery of the parcel or package for carriage by railways, and if so required by the administration, paid or engaged to pay in writing a percentage on the value so declared by way of compesation for increased risk.)

(2) When any parcel or package of which the value has been declared under sub-section (1) has been lost or destroyed or has deteriorated, the compensation recoverable in respect of such loss, destruction or deterioration shall not exceed the value so declared.

(3) A railway administration may make it a condition of carrying a parcel declared to contain any article mentioned in the second schedule that a railway servant authorised in this behalf has been satisfied by examination or otherwise that the parcel actually contains the article declared to be therein."

It will be seen that in respect of commodities coming under the 'excepted' category, on any package which is declared to be valued at more than Rs. 300/- the percentage charges should be paid; otherwise, the railway is not responsible for the loss, destruction or deterioration of the parcel or package. In cases where the percentage charge is being paid by the parties, they have to book the consignments at the Railway Risk rate. Where the percentage charge is not being paid, it will be seen that according to the Act, the railway is not responsible in any case for destruction, loss or deterioration and if Owner's Risk rate is provided, parties would book only at Owner's Risk rates because the liability of the Railways is the same whether they have paid at the Owner's Risk rate or Railway Risk Rate.

The question whether there should be Owner's Risk rates for excepted articles has to be decided in conformity with the general policy to be adopted in regard to Owner's Risk and Railway Risk rate.

Q: 14 The conditions laid down for the execution of forwarding notes as provided under Section 72-A of the Indian Railways Act, 1890, at present, are exhaustive and found to be satisfactory.

It is suggested that suitable amendement be made either in the Railways Act or in the Evidence Act providing for certified copies of the forwarding note and entries in standard books and registers used at stations, *e.g.*, Receipt and Delivery Books, Number Taker's Book, Seal Check Book etc., being admitted as evidence without the originals being produced. The Bankers' Book Evidence Act contains a similar provision to the effect that a copy of the entry in the books of the Bank together with a certificate by an office of the Bank should be received as a *prima facie* evidence of the existence of such entries and shall be admitted as evidence without the necessity of the original book being produced in the Court. If a similar provision is made in respect of forwarding note and entries in the book maintained in the usual course of business at the station, it will result in an enormous saving of T.A. now paid to the witnesses attending court in several places and this will avoid considerable dislocation of work by frequent attendance of staff in other courts and will save lot of man hours otherwise wasted.

Q: 16. The commodities for which the packing condition is compulsory are indicated in the Goods Tariff and this has been notified as such after due consideration. There is also provision made for accepting

commodities for which the prescribed packing conditions are not complied with provided the actual defective nature of the conditions is recorded in the Forwarding Note by the sender or his authorised agent.

It is suggested that packing conditions be made compulsory for Medicines subjected to P/22, 14th Class RR and Tools N.O.C. subjected P/22, 8th Class RR.

Q: 17 (a) Adequate storage facilities for goods awaiting despatch and delivery are necessary at important stations where the traffic is heavy and the existing goods shed accommodation is not sufficient. Suitable action is being taken by this Railway Administration on a programmed basis for the provision of adequate goods shed accommodation at stations based on the volume of traffic dealt with. When once the consignment is delivered, the party should remove the same at once and provision of warehouse facilities by Railways for consignments after delivery is not considered desirable. This Railway is not aware of any schemes for providing warehouse facilities on planned basis by private bodies in railway premises.

(b) It is not considered desirable that private bodies should undertake any scheme for the provision of warehouse facilities on behalf of the Administration in railway premises. The Railway Administrations should take up provision of warehouse facilities for goods awaiting despatch at stations according to the needs and the volume of traffic dealt with on programmed basis.

Q: 19. An analysis of the claims bill paid in 1954-55 reveals that thefts and pilferages alone account for 40% of the total amount paid as compensation claims.

Pilferages occur largely through (i) door crevices, (ii) body holes of wagons, (iii) from tranship and repacking sheds, (iv) from parcel offices and goods sheds before and after transit.

The steps taken to pervent loss due to pilferages are as under:—

To combat 'pilferages' through door crevices,instructions are already issued through monthly publications, to educate the staff for ensuring that bagged consignments are always loaded 18" away from either door ways. The question of providing wooden battens or iron flaps to doors of wagons to prevent extraction from outside is also being considered. With the reorganisation of the Security Force, the tightening up of security arrangements and augmentation of security staff at stations, yards etc, have been ensured to prevent losses of this nature.

As a preventive measure against pilferages through body holes, instructions have been issued to ensure that bagged goods, are not loaded in wooden floored wagons and wagons with body holes. The Mechanical Department have also been asked to ensure that wagons with body holes are attended to by the T.X.R. staff at stations where mechanical staff are available.

With a view to prevent losses and pilferages at stations, goods sheds and parcel offices, before and after despatch, goods and parcels are required to be kept in closed-in spaces. Supervisory officials are being sent to visit every important station to ascertain whether the existing covered and closed-in accommodation for securing parcels/goods are adequate and if not, to suggest improvements to meet the needs of the station for accommodating parcels/goods. As a measure of general security, all wagon loads with costly goods are double rivetted and E. P. Locked wherever possible. Provision of E. P. Locking of Coaching stock to carry parcels is also under contemplation.

To combat thefts in Running Trains, Special armed forces travel in trains carrying costly items over sections which are considered as black-spots and prevent losses, from moving train by culprits who attack the train. Further, wherever possible, costly loads are E. P. Locked thus reducing the possibility of thefts in moving trains. Co-ordination meetings are held with the police and Securing staff to discuss such problems and take preventive action.

Steps that should be adopted by the Railway: - As a measure of security, all loaded wagons (with the exception of dangerous and explosive goods) should be double ri.etted, ensuring rivetting both top cotter and bottom cotter. Extra-rivetting staff for this purpose should be provided. Sufficient additional clerical staff should be provided for supervision of loading, transhipment and unloading wherever necessary. Failure to supervise leads often to wrong loading, pilferage etc. The system of E.P. Locking should be introduced in M. G. also and it should cover all important stations It is also considered that the Railway Security Force should be vested with the same statutory powers as the state police to facilitate prompt apprehension, arrest and prosecution of culprits responsible for thefts and pilferages.

Steps to be taken by State Governments:—At important stations and yards and also at the black-spots where thefts frequently occur, the State Government should post plain clothed police to observe and report defects or staff connivance at pilferages, thefts etc

Steps to be taken by the public:—The Co-operation of the public is required in ensuring proper packing, as prescribed in the I.R.C.A. Tariffs, and correct labelling and marking. The co-operation of the public is also needed in detecting any black spots or other *modus operandi* when such acts come to their notice and assisting the police and security staff in investigation. The public should be requested to provide dunnage for all bagged consignments to prevent extraction and, if necessary a suitable packing condition to that effect should be incorporated in the tariffs. They should ensure that all booked consignments have distinctive private markings and full details of booking and address inside the packages to facilitate identification of consignments.

Q: 20 Figures are maintained in this office only for the total number of cases of claims settled with relevant amount and the total number of cases repudiated. The amount involved in the latter case *viz.* 'Claims repudiated' is not separtealy maintained.

If the Railways are to be treated as common carriers, the maiority of the claims that are now being repudiated will have to be entertained and bill for composation claim would thereby increase to that extent. It is

not possible to give in the absence of the money value of claims repudiated, the extra cost involved, but based on the average amount paid per claim, the total amount would approximately be Rs. 8,99,800 for the year 1954-55.

Based on the average claim paid, the monetary value of the repudiated claims involved in running train thefts works out to Rs. 22,704 and the amount of the claims repudiated arising out of other causes works out to Rs. 8,77,096.

Bagged consignments and Bales of C. P. goods from covered wagons and various sizes of iron and steel consignment such as Angles, Rods and Rounds etc. from open wagons figure largely in the incidence of running train thefts.

Q: 21. The average number of cases registered during 1954-55 is about 3,800 a month. Of the claims registered, 58% pertains to foreign traffic and 42% to local traffic.

During the monsoon months, however, from about June to September the claims registered show a tendency towards increase. Apart from this, there are no steep variations of either increase or decline in the number of cases registered per year.

On an average two-thirds of total number of claims registered, both local and foreign traffic, are entertained. The balance one-third cases are repudiated on account of various other causes.

Claims generally preferred by merchants are exaggerated and are invariably inclusive of profit and interest thereon and also proportionate freight and other incidental expenses. Claims are settled on the puttee or the beejuck value. Whatever constitutes the cost price for the consignee or the claimant, which could be proved as having been incurred, is paid. While sales tax and excise taxes as also porterage and forwarding charges are paid if included in the sender's puttee, items like charity, hundi, gaushala etc., are not allowed. However, in cases of dispute or when the original puttee is not available, the claims are verified by Inspectors attached to this department and settled for the actual value of the goods lost or damaged or on the basis of prevailing market rates.

In respect of traffic charged at Railway Risk rate, whether elected by the senders or necessarily charged in the absence of any alternative Owner's Risk rate for the commodity, there is a general impression among some of the claimants that their claim for compensation for shortage or damage arising directly on account of non-compliance of the prescribed packing condition, either in part or in full should invariably be met by the Railway even though such non-compliance had been admittedly remarked in the Railway Receipt. In such cases, the claims are usually repudiated unless there is sufficeient evidence to infer negligence or misconduct also on the part of the Railway staff as contributory factors for the claims preferred, since the 'rates' aspect is distinct from the packing condition.

Claims compensation for damage by wet to consignments booked at Railway Risk rate caused on account of rain water beating through door crevices of sound wagons, are generally met, as recommended by the Commercial Committee.

In respect of traffic charged at Owner's Risk Rate, claims for partial loss, breakage or even damage are generally repudiated because of the implications of the reduced rate sought for by the party and also when the cause for such loss, breakage or damage is not directly attributable to negligence or misconduct on the part of the Railway Staff.

Claims repudiated are not normally reopened unless there are compelling reasons to do so.

PART III

Q: 5. A statement showing particulars of the date of complaint, date on which the final judgment was delivered and the time taken by the Tribunal to decide the case in respect of the 10 cass in which this Railway had to deal with the cases, is given in the statement appended to this.

For purpose of comparison a statement showing the time taken by the Railway Rates Tribunal in England, and by the Interstate Commerce Commission in America, in some cases, is also enclosed.

TIME TAKEN BY THE RAILWAY RATES TRIBUNAL, INDIA TO DISPOSE OF CASES.

(Annexure to Answer to question No. 5)

Complaint.	Date of Complaint.	Date of judgment.	Time Taken
1. Complaint No. 1 of 1950	4—10—1950	13— 8—1951	About 10 months
2. Complaint No. 1 of 1952	4— 1—1952	11— 9—1952	About 8 months
3. Complaint No. 2 of 1952	15— 2—1952	9—10—1953	About 1 year and 8 months
4. Complaint No. 3 of 1952	25— 2—1952	7—11—1952	About 8 months
5. Complaint No. 5 of 1952	March 1952	17— 8—1953	About 1½ years
6. Complaint No. 6 of 1952	13— 8—1952	29— 1—1954	do.
7. Complaint No. 1 of 1953	19— 2—1953	10— 9—1954	do.
8. Complaint No. 1 of 1954	17—12—1953	28—10—1954	About 10 months
9. Complaint No. 3 of 1954	21— 5—1954	30—11—1954	About 6 months
10. Complaint No. 4 of 1954	15— 5—1954	28—10—1054	About 5 months

TIME TAKEN BY THE RAILWAY RATES TRIBUNAL, ENGLAND TO DISPOSE OF CASES.

(Annexure to Answer to Question No. 5.)

	Reference to page No. in Railway & Canal Traffic cases Vol. XXIX.	Date of complaint.	Date of judgment.	Time taken.
(1)	(2)	(3)	(4)	(5)
1.	341	2— 5—1950	22— 9—1950	About 5 months.
2.	327	18— 5—1950	21— 8—1950	,, 3 ,,
3.	324	22— 6—1950	25— 8—1950	,, 2 ,,
4.	301	31— 1—1950	18— 8—1950	,, 7 ,,
5.	291	21— 6—1950	12— 7—1950	,, 1 month.
6.	271	6, 7—12—1949	13— 2—1950	,, 2 months.
7.	353	3, 4, 18—12—1949 19— 1—1950	14— 3—1950	,, 3 ,,
8.	238	20, 21—10—1949	25— 5—1950	,, 7 ,,
9.	231	25, 26—10—1949	13— 1—1950	,, 2½ ,,
10.	214	28— 9—1949	16—12—1949	,, 3 ,,
11.	204	11, 12, 13 and 14—10—1949.	13—12—1949	,, 2 ,,
12.	186	24— 5—1949	17— 6—1949	,, 1 month.

TIME TAKEN BY THE INTER-STATE COMMERCE COMMISSION, AMERICA TO DISPOSE OF CASES.

(Annexure to Answer to Question No. 5)

	Reference to case No. reported in Vol. 284.	Date of complaint.	Date of judgment.	Time taken.
(1)	(2)	(3)	(4)	(5)
1.	30635	7— 1—1952	18— 4—1952	About 3½ months.
2.	30796	24— 3—1952	8— 5—1952	,, 1½ ,,
3.	30768	14— 1—1952	23— 4—1952	,, 3½ ,,
4.	30794	14— 2—1952	28— 4—1952	,, 2½ ,,
5.	5929	5— 9—1951	24— 4—1952	,, 7½ ,,
6.	30813	4— 2—1952	22— 4—1952	,, 2½ ,,
7.	26169	29— 1—1952	29— 4—1952	,, 3 ,,
8.	30406	10— 3—1952	1— 5—1952	,, 2 ,,
9.	30805	17— 1—1952	23— 4—1952	,, 3 ,,
10.	16500	30— 4—1952	21— 4—1952	,, 12 ,,
11.	30636	23— 8—1951	15— 4—1952	,, 8 ,,
12.	30422	19—11—1951	13— 2—1952	,, 3 ,,

Q: 6: A statement showing the amount of fees paid to the advocates on behalf of the Railways in respecct of the Complaints in which this railway had to appear before the Railway Rates Tribunal is enclosed :—

Advocates' Fees paid by the Southern Railway where the Southern Railway was impleaded either individually or in conjunction with other Railways.

(Annexure to Answer to question No 6).

		Rs.	a.	p.
1.	Complaint No. 1 of 1950 ...	5,240	0	0
2.	Complaint No. 1 of 1952 ...	1,000	0	0
3.	Complaint No. 2 of 1952 ...	4,000	0	0
4.	Complaint No. 3 of 1952 ...	1,000	0	0
5.	Complaint No. 6 of 1952 ...	4,000	0	0
6.	Complaint No. 1 of 1953 ...	5,525	0	0
7.	Complaint No. 2 of 1953 ...	250	0	0
8.	Complaint No. 3 of 1954 ...	2,650	0	0
9.	Complaint No. 4 of 1954 ...	1,250	0	0
10.	Writ Petitions Nos. 961 and 1007 of 1953 in the High Court, Madras ...	1,500	0	0
11.	Miscellaneous Application No. 2 of 1954 in Complaint No. 2 of 1952 ...	1,000	0	0
	Total ...	27,415	0	0

South Eastern Railway,
Calcutta.

PART-I A

Q: 6. No. Further in view of the announcement in the Press that metric system for weights and distances is likely to be introduced, the present distance unit for charge of one mile should not be disturbed.

Q: 15. For purposes of rating, higher rated and lower rated commodities are grouped into classes taking into consideration the nature, transportation characteristics, use, price, and the risk of damage, leakage or deterioration in transit. The suggestion to place all commodities upto a maximum weight per consigment for 'Smalls' traffic will set at naught the general principle of classifying commodities. The placing of all commodities for 'smalls' traffic in one class will reduce the effective rates for higher classes of goods and enhance the effective rates for lower classes of goods and the latter may not be able to bear this.

Q: 17. The movement of commodities in train loads is comparatively very small and no special rates need be quoted on the basis of train loads.

Q: 18. It is felt that surcharged traffic alone will not be forthcoming in sufficient volume to fill up an Express Goods train every day and, therefore, the load of such trains will of necessity have to be completed by ordinary goods, nullifying the purpose for which the express Service catering for surcharged goods will be run. Further, if any particular goods wagon carrying surcharged goods is damaged due to hot axle etc, on the run, such goods will be detained whereas ordinary goods in other wagons in the same train will reach destination earlier.

Q: 19. No. Only recently the crane charges have been revised on consideration of the increased cost of operation under present day conditions.

Q: 27. No requests for waival of short distance charge either in full or in part were received during the 3 years ending 1954-55.

Q: 28. List of cases in which requests for special rates were acceded to is shown in the enclosed Annexure 'A'. Enclosed Annexure 'B' shows the list of cases in which requests for special rates have been turned down. No specific reasons were given.

ANNEXURE 'A.'

List of cases in which requests for special rates were acceded to.

Articles	Stations	
	From	To
Bauxite as Ores, Common, N.O.C.	Katni Murwara	Vizag Port
Chrome Ore.	Chaibasa	Tatanagar
	Bhadrak	,,
Copper, ingots and slabs.	Shalimar	Bombay
Cyanite or Kyanite.	Bara Bambo	Raniganj
	Barabambo	Kumardubi siding
Dolomite.	Baraduar	Burnpore
	Jairamnagar	Tatanagar
Dry batteries (as Electrical appliances and fittings, Division C.)	Chitpur	Bombay Madras Cochin Harbour Terminus
Groundnut Oil, N.O.C, as oils Division 'D'.	Chicacole Road	Shalimar
	Chipurupalle	,,
	Donkinavalasa	,,
	Kota Bommali	,,
	Konatipalle	,,
	Kottavalasa	,,
	Ponduru	,,
	Tilaru	,,
	Vizianagram	,,
Gunnies.	Andul	Bombay
	Fort Gloster	,,

ANNEXURE 'A'—(*contd.*)

Articles	Sntations	
	From	To
Hemp (as fibres, machine-pressed, hand or power).	Mandla Fort	Shalimar
	Seoni	,,
	Kantabanji	,,
	Raigarh	,,
	Chhindwara	,,
	Nainpur	,,
	Ghunsore	,,
	Palari	,,
	Burgi	Vizianagram
	Chhindwara	,,
	Raigarh	,,
	Ghunsore	,,
	Karaboh	,,
	Keolaree	,,
	Mandla Fort	,,
	Nainpur	,,
	Palari	,,
	Seoni	,,
	Umaria	,,
Iron Ore.	Bara Jamda	K. P. Docks
	Noamundi	,,
	Bedampahar	,,
	Kaldiba	,,
	Gua	,,
	Gua	Bisco
Iron or Steel Division 'A':—Tinned Sheets.	Tatanagar	Bombay, Madras and Earnakulam Goods.
Iron or Steel Division 'B'—Cast Iron pipes.	Bisco	Bombay, Madras, Nagpur,
Iron or Steel Divisions 'B and C'.	Tatanagar	Different stations.
	Burnpore	,,
Jute, machine-pressed, hand or power and jute unpressed.	Cuttack	Guntur
	Kapilas Road	,,
	Byree	,,
	Shalimar	,,
	Bhadrak	,,
	Jajpur Keonjhar Road	,,
	Dhanmandal	,,
	Khurda Road	,,
	Sambalpur	,,
	Shalimar	Ellore
	Cossipore	,,
	Bhadrak	,,
	Jajpur Keonjhar Road	,,
Jute, machine-pressed, hand or power	Kolaghat Goods Siding	Nellimarla, Vizianagram.
Limestone (as lime and limestone)	Raipur	Burnpore.
Manganese Ore	Gua	Burnpore, Bisco
Oxygen liquid.	Shalimar	Tatanagar
Paints, having a flash point below 200° F but not below 95° F Divisions 'A and B and paints non-dangerous having a flash point at or above 200° F.	Shalimar	Bombay
Returned empty containers of Oxygen liquid (as empties).	Tatanagar	Shalimar
Rags, N.O.C.	Shalimar	Ib
Sand	Bhojudih	Mohuda

ANNEXURE 'A'—(*contd.*)

Articles	Stations	
	From	To
Sugarcane	Gumada	Bobbili
	Parvatipuram	,,
	Seetanagaram	,,
	Donkinavalasa	,,
	Komatipalle	,,
	Gajapatinagaram	,,
	Gumada	Seetanagaram
	Parvatipuram	,,
	Bobbili	,,
	Donkinavalasa	,,
	Komatipalli	,,
	Gajapatinagaram	,,
	Bissam Cuttack	Rayaghada
	Muribahal	,,
	Donkinavalasa	,,
	Seetanagaram	,,
	Gajapatinagaram	,,
	Bobbili	,,
	Gumada	,,
	Komatipalli	,,
	Muniguda	,,
	Parvatipuram	,,
	Singapur Road	,,
Twine, string, made of Sabaigrass as Twine (String), N.O.C.	Talcher	Via Asansol (for traffic to Raniganj)
Toilet requisites, N.O.C.	Shalimar	Bombay.

ANNEXURE 'B'.

List of cases in which requests for special rates have been turned down.

Aluminium Hydrate, and Alumina.	Muri	Delhi-Shahdara, Delhi-Kishangunj, Sodepore, Titaghur, Bombay and Barejadi.
Alumina	Muri	K. P. Docks.
Bauxite, (as Ores, Common, N.O.C.)	Katni-Murwara	K. P. Docks.
Barytes as Ores, Common, N.O.C.	Jaraikela	Shalimar, K. P. Docks and Majherat.
Bottles.	Shalimar	Tikkotti.
Brass ingots, sheets or rods.	Ghatsila	Bombay and Madras.
Bricks and Tiles.	Bhiwapur	Motibagh.
Bleaching powder.	K. P. Docks	Ib.
Cashew nuts.	Palasa Jhadupudu Sompeta Mandasa Road Pundi Baruva Ichhapuram	Vetapalemu.
Cement.	Jhinkpani siding	K. P. Docks (for export to Colombo).
Chrome Ore.	Bhadrak and Chaibasa	Andheri.
	Chaibasa	Burnpore.
Ferro-manganese.	Tatanagar Tumsar Road	Burnpore. Vizagapatam Port.
Firewood.	Jhalwara	R.B. Gour Siding, Jukehi.

ANNEXURE 'B'—(*contd.*)

Articles	Stations	
	From	To
Firewood.	Harishanker Road Kantabanji Muribahal Ambodala	Madras and New Delhi
	Harishanker Road Lakhna Muribahal Lanjigarh Road Ambodala Bagbahra	Firozabad.
	Surdiah	Jangipara Munshirhat.
Flagstone (as stone N.O.C.)	Belsonda	Vizagapatam Port Pendurti Vizianagram Berhampore (Ganjam) Kantabanji Bhatapara Bilaspur Gondia Khariar Road Nagpur Titilagarh Tirora Raipur
Fire-clay.	Belpahar	Tatanagar.
Graphite.	Titilagarh	Delhi, Ambala, Jullundur, Amritsar.
	Bissamcuttack	Bombay, Shalimar, and Bangalore.
	Lakhna and Sambalpore	Shalimar, Bombay, Baroda, Rajahmundry, Cocanada Town, Madras.
	Titilagarh	Rajahmundry, Tatanagar, Shalimar, Wadi Bundar, New Delhi, Batala, Madras, Kanpur, Vizagapatam Port.
Gunnies.	Raigarh	Bombay & Ramkistopur.
Hemp as Fibres, Machine-pressed hand or power.	Berhampore (Ganjam) and Titilagarh	Shalimar.
Tinned sheets as Iron or steel—Division 'A'.	Tatanagar	Mangalore and Quilon.
Jute, machinepressed, hand or power, and jute unpressed.	Vizianagram, Gajapatinagaram, Donkinavalasa, Bobbili, Parvatipuram, Vizagapatam Port	Guntur.
	Cuttack	Ellore.
Limestone (as Lime and Limestone)	Kansbahal Akaltara Katni-Murwara Jhinkpani	Tatanagar. Tatanagar K. P. Docks. Batanagar.
Myrobalan.	Raipur Dhamtari Raj Nandgaon Dongargarh Bagbahra	Vizagapatam Fort.

ANNEXURE 'B'—*contd.*

Articles	Stations	
	From	To
Manganese Ore.	Rayaghada	Vizagapatam Port.
	Barajamda	K. P. Docks.
	M. P. stations	Vizagapatam Port.
		Bombay and K. P. Docks.
Quartz stones as stone N. O. C.	Chaibasa	Calcutta (Sealdah)
Rice huller Blades as machinery other than electrical.	Shalimar	Madras.
Rubber or synthetic rubber manufactured and Hose N. O. C.	Shalimar	Bombay.
Rock Phosphate as Chemical manures Division 'B'	Ghatsila Rakha Mines	Bisco
Slag.	Tatanagar	Faridabad and Sindri Assisted siding, Pradhankanta.
Silica stone as stone N. O. C.	Buramara	Kumardubi Siding.
Sand.	Gokulpur Brick field siding.	K. P. Docks, Chetla Siding.
	Midnapore and Bankura	Chetla Siding Ramkistopore.
	Kolaghat (Goods)	Chitpur
Stone chips as stone N. O. C.	Chandil Nimdih Parkidi	Calcutta (Sealdah) and Sindri
	Dalbhumgarh, Gidni, Chakulia	Banpur.
	Parkidi, Chandil, Nimdih.	K. P. Docks, Chetla Siding. Garden Reach, Cossipore Road and Belliaghata Grass Siding.
Stone Chips as stone N. O. C.	Parkidi	Chitpur, Baghbazar, Naihati, Banpur.
Stone N. O. C.	Humma	Berhampore (Ganjam)
	Chandil	Banpur, Tatanagar. Kalaikunda and Rourkela.
Saw Dust.	Jaraikela Sambalpur	Tatanagar
Tiles common.	Namkom	Stations on ex B. N Railway.
Iron ore (as ores, common, N. O. C.)	Gondumri	Vizagapatam Port and
	Sonder	Bombay.
	Haludpukur	K. P. Docks.
	Alewahi Talodhi Road Sindewahi Tempa	Bombay.
	Gudma	Vizagapatam Port and K. P. Docks.

PART II.

Q: 1 (a). There are no statistics to show to what extent traders book commodities at Owner's Risk rates and to what extent they book them at Railway Risk rates. But, of the principal commodities, apart from coal, iron ore, manganese ore, limestone, etc., which

are carried by the South Eastern Railway, only the following commodities have alternative Owner's Risk rates :—

1. Cotton piecegoods
2. Tobacco manufactured
3. Fresh fruits
4. Glassware
5. Ghee
6. Groundnut oil
7. Mustard oil
8. Kerosene oil
9. Oil Fuel
10. Petrol
11. Coal Tar.

The above mentioned commodities which have alternative Owner's Risk rates account for 2% of the total goods tonnage carried and 5% of the total goods earnings. Of this tonnage it may be assumed that 80% is booked at Owner's Risk rates and the remaining 20% at Railway Risk rates.

(b) Piecegoods, which has alternative O. R. rate, is generally preferred by traders for booking at R. R. rate, the proportion of traffic in this commodity moving at R. R. rate being approximately 60%.

(c) No data is available for comparison with the pre-war period. But, it may generally be said that there has been no marked change of practice in respect of booking at R. R. and O. R. rates.

Q : 4 (a). There has been a marked increase in the payment of compensation claims not only after the last war but gradually from the commencement of the last war as per statistics given below :—

Year.	Net amount paid in Compensation as per FA & CAO'S Books.	Year.	Net amount paid in Compensation as per FA & CAO's Books.
(1)	(2)	(3)	(4)
	Rs.		Rs.
1940—41	59,443	1947—48	19,80,815
1941—42	1,08,630	1948—49	23,30,551
1942—43	2,20,205	1949—50	63,57,972
1943—44	4,72,533	1950—51	68,50,674
1944—45	15,65,925	1951—52	75,09,855
1945—46	25,69,642	1952—53	77,84,000
1946—47	24,69,031	1953—54	52,11,219
		1954—55	41,46,613

Statistics of claims paid commodity-wise are not available for the quinquennial periods 1940-45 and 1945-50. Statistics available for the years 1952-53, 1953-54 and 1954-55 show that the following are the principal commodities on which payments of claims were heavy, as indicated against each.

Commodity.	1952—53.	1953—54.	1954—55.
	Rs.	Rs.	Rs.
1. Piece-goods	11,53,421	6,83,689	6,92,629
2. Sugar	4,30,013	3,71,962	6,14,359
3. Grains & Pulses	4,04,842	2,87,908	2,28,640
4. Perishables	1,61,975	2,26,087	2,09,929
5. Spices	1,01,918	1,72,087	2,12,732
6. Oil seeds	2,05,806	1,72,855	1,93,671
7. Oil & ghee	1,96,790	1,49,218	1,77,711
8. Tobacco, cigarettes & biddies ...	2,35,116	2,02,989	1,50,467
9. Motor tyres, motor accessories and cycle parts.	1,75,827	1,12,438	1,13,429
10. Iron & Machinery parts	85,156	69,499	1,05,916
11. Tea	1,35,850	60,735	69,354
12. Medicines	40,003	67,198	63,720
13. Shoes	60,690	41,717	38,688
14. Lac	55,275	22,167	24,112
15. Soap	14,197	26,119	28,788
16. Provisions & Stationery goods ...	25,569	21,470	13,555
17. Bellmetal ware	19,710	17,792	11,963
18. Electrical goods	12,361	11,123	10,557
19. Wine	13,419	9,048	9,728
20. Jute	13,521	11,650	8,966

(b) From the enclosed statement showing the tonnage of traffic booked in respect of the important commodities for the years 1939-40, 1945-46, 1949-50 and 1954-55, it will be seen that there was a certain amount of increase in the volume in the case of the following commodities only compared with the pre-war period:—

1. Sugar 100% increase.
2. Fruits, fresh 150% increase.
3. Edible oils 10% increase.
4. Iron & Steel 55% increase.
5. Tea 50% increase.
6. Jute 150% increase.
7. Grain & pulses - Decreased during the period of control but increased after decontrol.
8. Provisions - Increased after 1951-52.

In the case of the following commodities the volume of traffic has declined as compared with the pre-war period while the amount of claim paid on these commodities is steadily on the increase.

1. Piecegoods
2. Oil seeds
3. Ghee
4. Tobacco
5. Lac

TONNAGE CARRIED

Commodity	1939—40		1945—46		1949—50		1954—55	
	Tons	Price per Unit of	Tons	Price per Unit of	Tons	Price per Unit of	Tons	Priec per Unit of
Piecegoods	1,07,071		68,848		51,088		49,245	Rs. 30/-per md.
Sugar	37,060		50,652	Rs. 22/-per md.	71,688	Rs. 30/-per md.	63,221	Rice ,, 17/- do.
Grain & Pulses	10,13,465		8,08,673	Rice ,, 15/- do.	875,309	Rice ,, 16/- do.	12,54,859	Wheat ,, 21/- do.
						Wheat ,, 22/8 do.		Maize ,, 19/- do.
						Maize ,, 22/- do.		Potatoes ,, 17/8 do.
Perishables	80,026		45,467		116,673	Potatoes Rs. 14/ do.	1,11,436	,, 25/ do.
Oil seeds	1,07,274		53,862	,, 23/8 do.	33,876	30/ do.	78,626	
Oil	37,600		70,818	(Oil G. N.) per 500 lbs. Rs. 284/-	44,979	(Oil G. N.) per 500 lbs. Rs. 375/-	29,570	(Oil G. N.) Per 500 lbs Rs. 350/-
Ghee	5,195		1,869		1,909	,, 197/-per md.		
Tobacco	44,500		31,933	,, 77/-per md.	30,015	,, 80/- do.	25,650	,, 150/-per md:
Iron & Steel	7,37,700		7,38,886		10,28,302		11,07,654	
Tea	19,790		17,218	,, 1/9 per lb.	27,279	,, 1/10 per lb.	23,724	,, 1/6 per lb.
Lac	26,000		24,168		11,039		11,899	
Provisions	66,280		31,908		42,846		1,05,985	
Jute	35,799		33,601	Rs. 161/- per 400 lbs.	53,488	Rs. 185/-per 400 lbs.	93,836	,, 245/-per 400 lbs

Q: 5 (a). A statement showing the quantum of payment arising from different causes as per available statistics and the proportion in each case is attached.

(b) Statistics showing the value of claims preferred causewise are not maintained.

(c) Analytical statistics of claims rejected are not maintained. But the number of claims rejected and its proportion to the total number of claims disposed of are shown below:—

Year	Number of claims disposed of	Number of claims rejected.	Percentage of claims rejected to total claims disposed of.
1940—41	5,793	1,667	29%
1941—42	8,135	1,898	23%
1942—43	9,961	1,538	15%
1943—44	13,690	2,431	18%
1944—45	24,837	5,246	21%
1945—46	32,697	7,141	22%
1946—47	29,888	5,887	20%
1947—48	29,605	5,331	18%
1948—49	40,404	6,271	16%
1949—50	65,215	10,264	16%
1950—51	51,193	6,172	12%
1951—52	52,962	5,981	12%
1952—53	51,446	6,756	13%
1953—54	47,957	6,970	15%
1954—55	46,633	8,471	18%

Year	Claims paid on account of goods lost and stolen		Claims paid on account of parcels and luggage lost and stolen		Claims paid on account of goods damaged by wet		Claims paid on account of goods misdespatched and exchanged		Damage due to rough handling		Damage due to fire		Damage due to miscellaneous causes		Total Amount
	Amount	% age	Amount	% age	Amount	% age	Amount	% age	Amount	% age	Amount	% age	Amount	% age	Rs.
1940–41	42,573	60	4,253	6	6,487	9·1			672	1	361	·5	16,628	23·4	70,974
1941–42	72,188	59	2,883	2	12,348	10	...	...	2,564	2	5,517	4	27,737	23	1,23,237
1942–43	1,72,070	73	17,256	7·3	22,941	10	...	...	3,247	1·3	...	...	19,847	8·4	2,35,361
1943–44	3,78,102	71	97,553	18	17,683	3	...	...	3,522	1	...	...	37,937	7	5,34,798
1944–45	10,91,030	69·2	4,30,790	27	8,336	·5	...	...	1,701	·1	3,618	2	45,338	3	15,80,853
1945–46	18,53,805	63·6	4,28,665	14·7	8,099	·25	...	...	7,428	·25	91,578	3·4	5,20,660	17·8	29,10,235
1946–47	18,45,386	72·3	2,84,775	11·2	6,764	·3	...	....	3,106	·1	...	...	4,13,647	16·1	25,53,678
1947–48	17,18,164	69	2,88,192	11·8	8,183	·3	...	...	2,252	·1	19,546	·7	4,51,651	18·1	24,88,089
1948–49	26,66,023	67·5	9,94,403	25·1	36,716	1	...	...	2,184	·1	4,614	·1	2,45,492	6·2	39,49,433
1949–50	46,95,314	61·9	17,35,931	22·1	2,07,208	2·7	...	...	1,501	·1	15,726	·2	9,31,670	12·2	75,87,350
1950–51	43,28,554	63	11,06,940	16	3,67,238	5·3	...	...	5,408	·1	8,158	·1	10,58,334	15·5	68,80,633
1951–52	43,98,353	64	12,57,455	18	2,72,174	4	...	...	5,776	·1	2,022	·1	9,61,666	13·8	68,92,446
1952–53	30,97,587	48·4	14,61,463	22·7	1,95,236	3	1,85,731	3	85,654	1·3	5,287	·1	13,83,891	21·5	64 14,849
1953–54	15,56,053	36·2	8,73,464	20·4	2,60,262	6	81,438	2	90,265	2·1	15,323	·3	14,14,368	33	42,91,173
1954–55	15,41,005	41·2	6,81,445	18·2	2,41,193	6·5	61,157	1·7	82,701	2·2	2,706	·1	11,22,683	30·1	37,39,890

Q: 6. The commodities in respect of which claims are rejected are generally the same in respect of which claims are paid. Payment or rejection of a claim is normally determined by the cause giving rise to the claim; the nature of the commodity, the rate of freight charged and packing condition being secondary factors for consideration. For example, a claim in respect of any commodity arising from a running train theft is rejected while a claim arising from yard theft or pilferage or loss due to misdespatch in respect of the same commodity is paid irrespective of the freight charged. It may, however, be mentioned that claims relating to commodities in respect of which alternative owner's risk rates are quoted, are normally susceptible to rejection for the following reasons:—

Commodities	Reasons for rejection
Mangoes, Oranges, Limes, Grapes, Plantains, Potatoes, Onions, Other perishables	For deterioration—if transit time is normal supported by O.R. rate is availed of.
Ghee, Mustard oil, Groundnut oil, Kerosene oil & Other liquids	For leakage—if containers indicate that leakage was due to defective soldering or due to non-compliance of packing condition with the additional ground of O.R. rate if availed of.
Glassware & other fragile goods.	For breakage—if packing condition not complied with coupled with O.R. rate if availed of.
Piecegoods, Tobacco	For damage by wet—if wagon is water-tight and damage is caused by rain-water penetrating through closed flap doors, O.R. rates if availed of and non compliance of packing condition being additional grounds.

Claims in respect of the avove-mentioned commodities arising from undue delay in transit, rough shunting and rough handling, yard theft, pilferage, misdespatch and loading in non water-tight wagons are paid.

Statistics showing the value of claims preferred in respect of each of the abovementioned commodities are not maintained.

Assuming that 75% of claims on the above commodities are repudiated, a rough estimate of the value of claims preferred in respect of these commodities is given below:—

Perishables	...	Rs. 8,00,000/-
Oils & Ghee	...	Rs. 7,00,000/-
Fragile goods	...	Rs. 1,00,000/.
Total:—		Rs. 16,00,000/-.

Q: 14. The conditions laid down for execution of forwarding note under Sec. 72-A of the Indian Railways Act, 1890; in respect of animals or goods carried by a railway, are not satisfactory. While clause (a) of this Section would appear to be satisfactory, the conditions laid down under clause (b) do not appear to be so inasmuch as there is no provision in the said clause requiring execution of forwarding note in respect of articles booked at railway risk rates for carriage by mixed and passenger train. It is suggested that this Section be made simpler and shorter by altering it to read as under:—

> Any person delivering to the railway administration any animals or goods or parcels to be carried by a railway whether by goods or mixed or passenger train, shall execute a forwarding note (in this Act referred to as the forwarding note) in such forms as may be prescribed by the railway administration and approved by the Central Government, in which the sender or his agent shall give such particulars in respect of the animals or goods or parcels so delivered as may be required.

The above Section as proposed wolud be applicabie not only to goods but also to parcels.

Under the present rules pasengers booking luggage for carriage in Brake van are not required to declare the description of contents, and in the event of loss of such luggage from railway's custody great difficulty is experienced when passengers lodge heavy claims alleging the contents to be costly articles, which it is not possible for the railways to properly verify. It is, therefore, suggested that some provision may be made in the Railways Act requiring passengers to execute a forwarding note in respect of luggage carried in the Brake van.

Q: 15. Packing condition, P/11 attached to Biddies reads as under:—

> "Must be packed in strong baskets provided with lids and contained in new gunny, properly stitched".

The above packing condition does not appear adequate against damage by wet. On this Railway numerous claims are received on account of damage by wet to consignments of biddies although the above packing condition is usually found to have been complied with. It is, therefore, suggested that the packing condition be revised to inculde some sort of waterproof covering especially during the monsoon period to avoid damage by wet to consignments of this commodity, in view of their being on 0 R rate for biddies, and claims for damage by wet cannot be successfully resisted.

As regards piecegoods. packing condition P/25 prescribed for this commodity requires amongst other things one layer of waterproof packing paper and one layer of tarpaulin during the monsoon months. In fact, however, these two important layers of packing are not usually provided as noticed at the time of granting open delivery of bales of piecegoods damaged by wet. It is suggested that the packing condition relating to this commodity be made stringent and compulsory especially during the monsoon period.

Q: 16. In view of the increasing industrial skill in the country and also in view of the large number of claims for damage by wet arising on piecegoods, biddies and tea, it is recommended that compulsory packing condition be extended t o these commodities.

Q: 17(a). The provision of warehouse facilities for storage of goods prior to despatch or after delivery is too big a job for the railways,

who are already experiencing difficulty at most of the important goods-sheds due to congestion resulting from slow deliveries. Even if additional accommodation is built for the purpose of warehousing, proper security of the goods warehoused would present a big problem and the railways' attention would be divided and diverted to a function which is strictly not its own. Hence, the provision of warehouse facilities by the railways should be discouraged.

This railway is not aware of any scheme for providing werehouse facilities on a planned basis either by private business or co-operative bodies.

(b) Insurance companies,who have money to invest in building warehouses, may be encouraged to carry out a scheme of this kind as they are already in the field by covering transit risks of various kinds under insurance policies issued by them.

Q: 19. The following measures have been adopted to prevent thefts and pilferages which give rise to the bulk of the claims for compensation:—

(i) Pyramid system of loading and providing of dunnage near flap doors as per S/29.

(ii) Double rivetting of wagons-especially of the top cotters-which render running train thefts extremely difficult.

(iii) E. P. locking of wagons.

(iv) Lighting and walling of some of the important yards.

(v) Escorting of trains by armed R. P. P. staff and track patrolling.

(vi) Posting of Chief Security Officers drawn from D. I. Gs of States to tighten the Railway Security forces.

(vii) Monetary prizes given to security force staff for apprehending criminals.

The following measures are suggested for implementation by the railways:—

(i) Lighting and walling of the remaining important yards.

(ii) Avoiding of delays to loaded wagons at all points.

(iii) Avoiding stabling of trains at roadside stations.

(iv) Running of trainloads of valuable goods during day time in vulnerable areas.

(v) A system of good conduct marks to be introduced for enlistment of the services of good and honest workers who enable the detection of crimes. Provision may be made for out of course promotion of such staff.

(vi) Introduction of identity card system to prevent unauthorised persons entering into large yards.

The Government Railway Police as it functions now is not wholly effective. This organisation may be wound up and the State Governments made responsible for the maintenance of law and order on the railways whithin their state boundaries.

In all vulnerable areas it is suggested that Security Councils be formed with representatives of the local people, the State Police and the Railway Security Force to devise ways and means for the prevention of crimes. If the local people in any area do not co-operate, the levy of a punitive tax on the people in such area may be considered.

Q: 20. The number of claims received, the number of claims paid, repudiated and withdrawn and the total amount paid during the year 1954-55 were as under:—

1.	No. of Claims received	45,829	
2.	No. of claims paid	27,483	46,633
3.	No. of claims repudiated	8,471	
4.	No. of claims withdrawn	10,679	

5. Amount paid including payment in court case Rs. 41,46,613.

On the basis of the amount of compensation paid on 27,483 cases it may be assumed that for admitting the 8,471 cases which were rejected, the Railway would have paid Rs. 12,14,822 as worked out below:—

$$\frac{41,46,613 \times 8,471}{27,483} = \text{Rs. } 12,14,822$$

Cause-wise statistics of claims rejected are not maintained.

The incidence of running train thefts is particularly high in respect of the undermentioned commodities:—

1. Piecegoods
2. Tobacco
3. Cigarettes
4. Biddies
5. Motor tyres
6. Tea
7. Spices.

Q: 21. In regard to claims made, the general tendency is to prefer inflated claims by quoting higher rate and including interest, profit, expenses etc. while some claims are found on enquiry to be of speculative and fraudulent nature. In the recent past there have been a few cases of a fraudulent nature, wherein Railway Receipts had been issued without the goods having been actually booked with the connivance of the railway staff. The *modus operandi* of another type of fraudulent claims, was to put in metertais wholly or partly of different type *i. e.* other than that described on the forwarding note, and also to show inflated weight on the forwarding note and Railway Receipts possibly with the connivance of the Railway staff, and to demand open delivery at the destination station alleging difference in weight and exchange of contents. A number of such claims were also found to have been insured with the Insurance Companies with the object of receiving claims from Insurance Companies if not from the Railway.

As regards claims paid, the policy of the Railway administration is to settle claims on the basis of beejuck value plus railway freight: but in regard to petty claims which are below Rs. 200 it is not always possible to verify the beejuck. For expeditious disposal of claims, such cases are usually settled on verification of Calcutta market rate which is the only way open. In regard to claims over Rs. 200/- the parties in several-cases have declined to accept payment of beejuck value and railway freight and have demanded payment of profit. On this issue a number of claimants after filing suits had obtained decrees ear lier efforts of the railway to settle the rela tive suits out of court on the basis of bee juck value havig been unsuccessful.

In regard to claims for damage by wet, difficulty is generally experienced in the matter of ascertaining the disposal particulars of the damaged goods and the actual loss suffered by the claimants, as parties usually do not show their records or furnish true information. Usually the reply from the claimants in such cases is that the damaged goods were sorted out and destroyed which is difficult to accept. On this issue certain number of claims are repudiated on account of the railway's inability to correctly verify the claim; but in suits filed in respect of such cases the plaintiffs are usually successful in getting decrees.

Western Railway,

Bombay.

PART I-A

Q: 6. The Enquiry Committee wishes to know whether this railway is in favour of an increase in the distance unit for charge from the present limit of one mile, in view of the long distances over which some traffic in this country has to move.

The distance unit on British Railways is one mile and on certain railways on the continent it may be a kilometre. A kilometre is less than a mile; it is equal to O.621 miles.

It is true that railways in few countries have as long leads for traffic as Indian Railways, but as to how the trade or the railways would desire any special benefit or advantage by raising the distance unit for charge is not clear.

To gauge the effect of various distance units on rates a comparative statement is attached, showing the existing rate per mile and the rates for three, five and ten mile units for distance of 1 to 100 miles. The calculations have been based on the existing basis of charge for telescopic class rate and the rounding off has been done in accordance with the exsting rule in force, namely, rounding off to a higher pie.

It will be seen from the statement that the rates for 3, 5 and 10 mile units would result in additional earnings to the railways but would mean increases in the effective rates for all traffic. In other words, enforcing a higher distance unit for charge is likely to awoke severe protests from the trade.

The Board are not in favour of quoting blanket rates. Introduction of higher distance unit miles for charge would result in blanket rates for a number of stations falling within the distance unit area. For example, the distances from Kim to stations Bandra, Mahim, Dadar, Bombay Central and Carnac Bridge are 172, 173, 175, 178 & 180 miles respectively and the charge at the class 1 rate would be Re. 0—8—2 per maund for all three stations, if the 10 mile unit is adopted. This would mean a blanket rate for all stations in the Bombay area.

Moreover, an increasing in the distance unit mile charge for goods traffic would bring in two different units for charge for goods and for passenger traffic.

In the circumstances, it is felt that the higher distance unit for charge can be introduced only if the Railway Freight Structure Enquiry Committee is convinced of the need for raising additional revenue from goods traffic by this means.

CLASS I RATE PER MAUND

Miles	Existing rate	Three Mile unit rate	Five Mile unit rate	Ten Mile unit rate
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P
1.	0 0 1	0 0 2	0 0 2	0 0 6
2.	0 0 2	0 0 2	0 0 3	0 0 6
3.	0 0 2	0 0 2	0 0 3	0 0 6
4.	0 0 3	0 0 4	0 0 3	0 0 6
5.	0 0 3	0 0 4	0 0 3	0 0 6
6.	0 0 4	0 0 4	0 0 6	0 0 6
7.	0 0 4	0 0 5	0 0 6	0 0 6
8.	0 0 5	0 0 5	0 0 6	0 0 6
9.	0 0 5	0 0 5	0 0 6	0 0 6
10.	0 0 6	0 0 7	0 0 6	0 0 6
11.	0 0 6	0 0 7	0 0 9	0 0 11
12.	0 0 7	0 0 7	0 0 9	0 0 11
13.	0 0 8	0 0 9	0 0 9	0 0 11
14.	0 0 8	0 0 9	0 0 9	0 0 11

Miles	Existing rate	Three Mile unit rate	Five Mile unit rate	Ten Mile unit rate
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
15.	0 0 9	0 0 9	0 0 9	0 0 11
16.	0 0 9	0 0 10	0 0 11	0 0 11
17.	0 0 10	0 0 10	0 0 11	0 0 11
18.	0 0 10	0 0 10	0 0 11	0 0 11
19.	0 0 11	0 1 0	0 0 11	0 0 11
20.	0 0 11	0 1 0	0 0 11	0 0 11
21.	0 1 0	0 1 0	0 1 2	0 1 5
22.	0 1 0	0 1 1	0 1 2	0 1 5
23.	0 1 1	0 1 1	0 1 2	0 1 5
24.	0 1 1	0 1 1	0 1 2	0 1 5
25.	0 1 2	0 1 3	0 1 2	0 1 5
26.	0 1 3	0 1 3	0 1 5	0 1 5
27.	0 1 3	0 1 3	0 1 5	0 1 5
28.	0 1 4	0 1 5	0 1 5	0 1 5

CLASS I RATE PER MAUND—(*contd.*)

Miles	Existing rate	Three Mile unit rate	Five Mile unit rate	Ten Mile unit rate
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
29.	0 1 4	0 1 5	0 1 5	0 1 5
30.	0 1 5	0 1 5	0 1 5	0 1 5
31.	0 1 5	0 1 6	0 1 7	0 1 10
32.	0 1 6	0 1 6	0 1 7	0 1 10
33.	0 1 6	0 1 6	0 1 7	0 1 10
34.	0 1 7	0 1 8	0 1 7	0 1 10
35.	0 1 7	0 1 8	0 1 7	0 1 10
36.	0 1 8	0 1 8	0 1 10	0 1 10
37.	0 1 8	0 1 10	0 1 10	0 1 10
38.	0 1 9	0 1 10	0 1 10	0 1 10
39.	0 1 10	0 1 10	0 1 10	0 1 10
40.	0 1 10	0 1 11	0 1 10	0 1 10
41.	0 1 11	0 1 11	0 2 1	0 2 3
42.	0 1 11	0 1 11	0 2 1	0 2 3
43.	0 2 0	0 2 1	0 2 1	0 2 3
44.	0 2 0	0 2 1	0 2 1	0 2 3
45.	0 2 1	0 2 1	0 2 1	0 2 3
46.	0 2 1	0 2 2	0 2 3	0 2 3
47.	0 2 2	0 2 2	0 2 3	0 2 3
48.	0 2 3	0 2 2	0 2 3	0 2 3
49.	0 2 3	0 2 4	0 2 3	0 2 3
50.	0 2 3	0 2 4	0 2 3	0 2 3
51.	0 2 4	0 2 4	0 2 6	0 2 9
52.	0 2 5	0 2 6	0 2 6	0 2 9
53.	0 2 5	0 2 6	0 2 6	0 2 9
54.	0 2 6	0 2 6	0 2 6	0 2 9
55.	0 2 6	0 2 7	0 2 6	0 2 9
56.	0 2 7	0 2 7	0 2 9	0 2 9
57.	0 2 7	0 2 7	0 2 9	0 2 9
58.	0 2 8	0 2 9	0 2 9	0 2 9
59.	0 2 8	0 2 9	0 2 9	0 2 9
60.	0 2 9	0 2 9	0 2 9	0 2 9
61.	0 2 9	0 2 11	0 3 0	0 3 2
62.	0 2 10	0 2 11	0 3 0	0 3 2
63.	0 2 11	0 2 11	0 3 0	0 3 2
64.	0 2 11	0 3 0	0 3 0	0 3 2
65.	0 3 0	0 3 0	0 3 0	0 3 2
66.	0 3 0	0 3 0	0 3 2	0 3 2
67.	0 3 1	0 3 2	0 3 2	0 3 2
68.	0 3 1	0 3 2	0 3 2	0 3 2
69.	0 3 2	0 3 2	0 3 2	0 3 2
70.	0 3 2	0 3 3	0 3 2	0 3 2
71.	0 3 3	0 3 3	0 3 3	0 3 8
72.	0 3 3	0 3 3	0 3 5	0 3 8
73.	0 3 4	0 3 5	0 3 5	0 3 8
74.	0 3 4	0 3 5	0 3 5	0 3 8
75.	0 3 5	0 3 5	0 3 5	0 3 8
76.	0 3 6	0 8 7	0 3 8	0 3 8
77.	0 3 6	0 3 7	0 3 8	0 3 8
78.	0 3 7	0 3 7	0 3 8	0 3 8
79.	0 3 7	0 3 8	0 3 8	0 3 8
80.	0 3 8	0 3 8	0 3 8	0 3 8
81.	0 3 8	0 3 8	0 3 10	0 4 1
82.	0 3 9	0 3 10	0 3 10	0 4 1
83.	0 3 9	0 3 10	0 3 10	0 4 1
84.	0 3 10	0 3 10	0 3 10	0 4 1
85.	0 3 10	0 3 11	0 3 10	0 4 1
86.	0 3 11	0 3 11	0 4 1	0 4 1
87.	0 3 11	0 3 11	0 4 1	0 4 1
88.	0 4 0	0 4 1	0 4 1	0 4 1
89.	0 4 1	0 4 1	0 4 1	0 4 1
90.	0 4 1	0 4 1	0 4 1	0 4 1
91.	0 4 2	0 4 3	0 4 4	0 4 6
92.	0 4 2	0 4 3	0 4 4	0 4 6
93.	0 4 3	0 4 3	0 4 4	0 4 6
94.	0 4 3	0 4 4	0 4 4	0 4 6
95.	0 4 4	0 4 4	0 4 4	0 4 6
96.	0 4 4	0 4 4	0 4 6	0 4 6
97.	0 4 5	0 4 6	0 4 6	0 4 6
98.	0 4 5	0 4 6	0 4 6	0 4 6
99.	0 4 5	0 4 6	0 4 6	0 4 6
100.	0 4 6	0 4 8	0 4 6	0 4 6

Q: 15. It would appear that the intention underlying the proposal, namely, that for 'Smalls' traffic carried by goods train a maximum weight per consignment should be placed in one class, is that differentiation in classification should be done away with for small consignments. The reasons influencing such a proposal probably are first, the assertion by the trade that the Postal Department makes no differentiation in the rates for parcels for various commodities and second, that by and large the cost of transporting small consignments of various commodities remains approximately the same.

As regards the rates charged by the Postal Department for pracels it may be intimated that the public resort to booking of small parcels by post only for a limited number of commodities. The important considerations that weigh with the public in favour of this service would be :—

(a) home delivery of parcels.

(b) the issue of sending the receipt to the consignee does not arise.

(c) very rarely are consignments damaged, lost or pilferred.

(d) quickness of transit.

(e) facility of insuring the articles.

Railways have to cater to the needs of various trades and are called upon to carry as 'smalls' all commodities irrespective of their value. Moreover, these commodities are required to be carried in small lots and full wagon loads as well. So any charges for smalls naturally have to be within the frame work of the General Classification of Goods and departure from this would be a departure from fundamental accepted railway rating principles. Thus, the conditions under which the Postal Department and Railway carry small consignments differ materially.

The other argument generally put forth in justification of this damand is that for small consignments of various commodities the cost of transportation is almost the same nor does it vary with the nature of the commodity First, to presume that the tranportation characteristics which are duly taken into consideration in fixing the classification of the commodities have little or no bearing in respect of small consignments would not appear to be strictly correct. While it may be true that there is very little difference in the actual cost of transporting small consignments and it works out higher than the cost of goods when transported in full wagon loads, the other factors, namely, the risk in transit, the liability to leakage, damage or deterioration in transit, the value of the commodities, the bulk in relation to weight, etc., differ a lot for each commodity.

For example, one maund of grains and one maund of glassware sheets, even

though they may be equal in bulk when packed, yet the value of the latter is far in excess of the former; the risk of breakage in transit is considerable in the case of glassware while there is hardly any such risk involved in carrying grains. The financial loss on account of breakage of a consignment of glassware booked at railway risk and packed in accordance with standard packing condition would be considerable and the railway in such an event may be called upon to pay a heavy claim. In the circumstances, if 'smalls' traffic carried by goods train upto a maximum weight per consignment is to be charged at a uniform class, the chargeable class rate will have to be pitched at such a level as would give the railways the same amount of net earnings which they are deriving out of traffic in smalls after meeting the cost of transportation, and any likely claims on account of loss, damage, deterioration, etc.

Another important factor is whether the railways would be justified in charging low-rated commodities at a higher rate than provided in the General Classification of Goods when they are carried as smalls while allowing certain other commodities to pay the same freight for smalls and wagon loads. Moreover, such a practice would result in the levy of lesser charges for smalls consignments of certain other commodities which are classified in higher classes. The point becomes clearer in the following examples.

Assuming that it is decided to charge all 'smalls' consignments, say, below 20 maunds at the same class, namely, class 7, it would mean that for one maund of grains the freight charge for a distance of 100 miles would be Re. 0-8-6 per maund against Re. 0-5-10 chargeable at present. For Glassware Div. C, which is classified at Class 7 R. R. and 5 O.R. the freight charge at railway risk would remain the same, namely, Re. 0-8-6 per maund while for Electroplated ware (15th class) the present freight charge which is Rs. 1-4-8 per maund would be reduced to Re. 0-8 6 per maund. It is to be considered how far this anomalous position could be justified. A further anomaly would be that for high-rated commodities the tendency would be to split up consignments to get the benefit of the lower rate. This would be a retrograde step in the present day circumstances when we are trying to obtain fuller and better wagon loads.

An attempt, however, has been made to analyse 'smalls' consignments moving on this railway and attached is a statement giving separately for each class of goods (i) the number of consignments (ii) the total weight of the consignments and (iii) the freight charges for consignments weighing upto one maund, above 1 maund upto 2 maunds, above 2 maunds and upto 3 maunds above 3 maundsand upto 4 maunds, above 4 maunds, and upto 5 maunds, above 5 maunds and upto 10 maunds, above 10 maunds and upto 20 maunds and above 20 maunds. The information has been collected for a day's booking from the largest goods booking depot of this railway, namely, Carnac Bridge. This may be considered to be a representative pattern of traffic in 'smalls'.

It will be seen from the statement that traffic under Classes 3, 4, 8,9 and 10 account for about 75 per cent of the total maundage carried in smalls. In the circumstances, the uniform rate, if at all one is required to be fixed, should be pitched at a level at which the earnings of the railway will not be affected adversely, and this would be Class 9.

For the reasons already explained, this Administration is not in favour of the proposal.

Q: 17. Meaning of block special has definite operating advantages, as detentions in yards and at junctions are eliminated and transit time is reduced considerably. The disadvantages are such in some cases terminals cannot handle the block specials, resulting in accumulation and detention to rolling stock, but by special arrangements such detentions at terminals are avoided, and the Operating Department encourages the running of as many block specials as possible.

Stones from Ramganjmandi to stations in the Bombay area and on Bulsar and Ahmedabad districts; ballast and road metal from Timba and Sevalia to Ahmedabad and Asarva; firewood from Limkhera and other stations on Ratlam district to the Admedabad area; cotton from stations in the Branch area to Bombay and Ahmedabad are some instances of block specials run on this railway.

So far it has not been necessary to encourage the trade to offer block specials. Whenever block rakes are offered loading is done by the trade without delay and in some cases loading is done in the minimum time possible; and it does not appear necessary to offer reduced rates to encourage the running of block specials. Exceptions will be for commodities like grains, oilseeds etc., movements of which depend to a great extent on market conditions. From experience, it has been found that the trade does not favour the running of block specials of textiles, and it is by special advice that block specials of textiles are run from Ahmedabad and other stations. Here also, the reluctance on the part of the trade to run block specials is with a view not to upset the market conditions in the receiving areas.

Based on existing conditions which may continue for some considerable time, it does not appear necessary to offer reduced or attractive train-load-rates for movement of commodities in block specials.

But when conditions regarding availability of stock improve and the railways have spare capacity for running additional trains, the desirability of offering reduced station-to-station rates in train loads could be considered by offering a portion of the economies resulting out of such train load movements to the trade.

As already explained, this railway is not in favour of introducing train load rates at the present juncture but when conditions return to normal and the feasibility of introducing train load rates is considered, one of the methods that could be adopted to remove hardship caused to other trading interests could be overcome by permitting interests in the same trade to club their consignments to form a train load. Details of such an arrangement could be worked

out after giving due consideration to the conditions prevailing locally at the time.

Q: 18. Recently a daily Express Goods Train between Bombay and Delhi was introduced and this service is a popular one, as the transit time is not more than 3 to 4 days. The possibility of introducing an express goods service on some other section is being examined. Movements of the expsess goods train are specially watched. These trains are not taken into marshalling yards, but are dealt with normally in the passenger yards so as to eliminate detentions. Wagons despatched by Express Goods Trains from Bombay to Delhi reach destinations in 3 to 4 days while consignments despatched by ordinary trains take 6 to 7 days. Thus, while the Express Goods Trains provide a quicker service to the trade, it helps the railways to achieve quicker turnround of wagons. Dealing of the Express Coods Trains in passenger yards has also the effect of reducing congestion in marshalling yards and consequent less detention to other stock within marshalling yards.

There is a condsiderable difference in freight between the charges on articles booked as parcels and as goods, and the most important reason justifying such a difference is the time factor involved in transport. By introducing express goods services the time interval is considerably reduced and it is considered the railways would therefore be justified in imposing an additional levy for express services.

There are two forms in which such a levy could be imposed:—

(a) a percentage charge on the normal goods rates; or

(b) a fixed unit charge, say, 4 annas per maund.

The former has the advantage of extending the principles of charging 'what the traffic can bear' to this extra levy as well, because the general classification of commodities takes this factor into account. In other words, the charge would vary according to the classification of a commodity. In the latter case, the charge would be uniform irrespective of the classification of the commodity and the distance to be traversed and therefore has a disadvantage in as much as the commodities in the higher classes can well afford to pay the charge without increasing the freight burden to any appreciable extent, but the low-rated commodities would find it difficult to take advantage of express goods services.

This administration favours the levy of a percentage charge for the following reasons:—

(a) The levy of a percentage charge above the normal rates would result in adequate additional earnings from which the railway can meet the cost of additional staff and the machinery employed in paying more attention to the movement of consignments booked by the express goods service.

(b) The additional freight burden would be less for the low rated commodities and more for the high rated commodities, thus all commodities irrespective of their classification can take advantage of the service.

Generally speaking, it would be both in the interest of the railways and the trade to introduce such services on all routes, but there are physical limitations to dealing with such trains on all sections.

The levy of an extra percentage charge for such traffic, say, 5 per cent. of the freight, is considered to be fully justified.

Q: 19. On this railway, when a consignment is of such a size and weight as to make it necessary to use crane power to load or unload it, the owners have the option of arranging for loading and unloading it themselves, but if a railway crane is used, the following charges are made, the labour being supplied by the consignor or consignee, as the case may be. Charges for cranes do not include unlimited labour, but cover the crane-men or gang usually employed and necessary to work the cranes.

I. Hire charges for cranes at all stations except at Carnac Bridges.

Particulars of Cranes	Hire Charges Per Ton.
10 ton steam crane	Rs. 5/-
20 ton steam crane	Rs. 9/-
35 ton steam crane	Rs. 11/-
75 ton steam crane	Rs. 16/.
Hand crane	Rs. 3/4/-

In the case of cranes of capacities other than those shown above, the rate will be as for the crane with the next higher capacity. Hire charges for a minimum period of four hours are recoverable even though the crane may be used for a shorter period.

The period for which charges are to be recovered will be reckoned from the time a crane is handed over till the time it is released by the party.

In addition to the hire charges, when a crane is required to load or unload a consignment and it is necessary to bring it from another station, the following haulage charge will be levied for the distance from and to station from which the crane is brought.

Cranes	Broad Gauge Per Mile	Metre or Narrow Gauge Per Mile
	Rs. As. Ps.	Rs. As. Ps.
4 wheeled	0— 6—0	0—4—0
6 wheeled or 8 wheeled	0—12—0	0—8—0
10 wheeled and above	1— 8—0	1—0—0

Note:— When it is necessary to attach a wagon as a dummy or when a trailer is attached to the crane for the safe carriage of the crane, such wagon or trailer will be charged at Re. 0—6—0 per mile for the Broad Gauge and Rs. 0—4—0 for the Metre or Narrow Gauge, in addition to the above charges.

II Hire charges for cranes at Carnac Bridge.

(1) For each package weighing 10 maunds and over but not exceeding one ton, Re. 0—4—0 per ton or part of a ton with a minimum charge of Re. 1/-

(2) For each package weighing over one ton, but not exceeding 3 tons, Re. 0—6—0 per ton or part of a ton with a minimum charge of Re. 1/-.

(3) For each package weighing over 3 tons, the scale of charges given under I above will apply.

(4) Where the "L" condition applies, should a consignment, whether inward or outward, consist of a large number of packages, any of which exceed 10 maunds in weight and the owner wishes the whole consignment to be loaded or unloaded by the railway crane charges will be assessed on the invoiced weight, notwithstanding the fact that some of the packages forming part of the consignment may weigh below 10 maunds; on the other hand, where the "L" condition does not apply crane charges will be assessed only on packages weighing over 10 maunds on the actual weight.

Note :—Crane charges will be reckoned on the maximum weight of the heaviest package in a wagon. For example:—

1	package weighing 2½ tons	2½ tons.
2	packages each weighing 1 ton	2 tons.
5	packages each weighing ½ ton	2½ tons.
8	Packages	7 tons.

Rs. 3/12/- for the whole consignment [Charges are levied at Re 0-6-0 per ton or part of a ton on the weight of the heaviest package, as per II (2) above.]

(5) No demurrage charge is levied on wagons detained at the forwarding stations due to non-supply of cranes, provided the consignor has indicated in writing in the indent or at the time of indenting for wagons that he requires crane power also.

(6) Rates for the hire of cranes are based on a "no loss" "no profit" basis, the basis being:—

Interest on Capital	4%
Supervision charge	12½%
Depreciation	1.33%
Maintenance	Average shop and shed repair charges.
Labour charges	Wages of crane driver, allowances, leave salary, Provident Fund, Bonus, incidental charges.
Consumerable stores	Cost of Coal, Oil etc.,

(7) In this railway's opinion this basis is reasonable and needs no amendment.

Q: 27. Out of 13 requests received by this Railway for the waival of short distance charge for short distance traffic during the years 1952-53, 1953-54 and 1954-55 only nine requests were acceded to, two were turned down and two are being investigated. Attached is a list of cases where requests have been granted or refused and the reasons for the action taken.

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LIST OF CASES WHERE REQUESTS OF WAIVAL OF SHORT DISTANCE CHARGE GRANTED AND WHERE REFUSED.

Sl. No.	Commodity.	Station From	Station To	Distance	Tariff rate per md.	Condition.	Special rate per md.	Condition.	REMARKS.
				Miles.	Rs.As.Ps.		Rs.As.Ps.		
1	Salt	Mithapur	Okha	7	0—2—3	CC ORL	0—1—6	CC ORL	Introduced from 5 Feb. '53 and cancelled from 1 Aug '55. Quoted on the basis of 40% reduction on basic rate and foregoing of short distance charge in full on representation of M/s Tata Chemicals that successive enhancement in the rates for salt bore heavily on their works.
2	Limestone	Lavanpur	Navlakhi	6	0—2—3	,,	0—1—9	,,	Introduced from 21 Apr. '53. Short distance charge was not foregone in full, but a reduced rate quoted at 40% less than the tariff rate including the short distance charge as it was considered that the party could bear the rate.
3	Limestone	Gop	Sika	31	0—2—5	,,	0—1—11	,,	Introduced from 1 Nov. '52. Short distance charge only foregone without effecting any reduction in the basic rate on a representation from Shri Digvijay Cement Co. that the existing rates for raw materials for the manufacture of cement were too high and the incidence of short distance charge was heavy.
4		Ranawao	Porbandar	11	0—2—1	,,	0—1—7	,,	Introduced from 1 Nov. '52. Short distance charge only foregone without effecting any reduction in the basic rate, on a representation from M/s. A.C.C. Ltd., that the existing rate for raw materials for the manufacture of cement was too high and incidence of short distance charge was heavy.
5		Rawanjna Dungar.	Sawai Madhopur,	10	0—2—1	,,	0—1—7	,,	Introduced from 1 Oct. '54. Short distance charge foregone in full without reduction in the basic rate on a representation from Jaipur Udyog Ltd., that similar concession was granted to A.C.C. Ltd. and Shree Digvijay Cement Co. and refusal to grant the request would amount to undue discrimination. The party had also put up a commercial justification.
6	Gypsum	Mithapur	Dwarka	12	0—2—1	,,	0—1—7	,,	Introduced from 1 Nov. '52, cancelled 1 June '54 and re-introduced from 24 March '55. Short distance charge foregone in full without effecting any reduction in basic rate on representation from M/s A.C.C. Ltd. that the incidence of short distance charge was heavy.

				Miles	Rs.a.p.		Rs.a,p.		
7	Gypsum	Bhatia	Sika	53	0—3—1	CC; OR: L	0—2—7	CC: OR: L	Introduced from 1 Nov. '52 and cancelled 1 June '54. Short distance charge foregone in full without effecting any reduction in basic rate on representation from Shri Digvijay Cement Co. that the existing rates for raw materials for the manufacture of cement were too high and the incidence of short distance charge was heavy.
8		Bhatia	Dwarka	27	0—2—4	,,	No reduction	,,	Request from M/s A.C.C. Ltd. in Dec. '53. No waival of short distance charge or reduction in tariff rates as it has been found that traffic is freely moving at this rate.
9	Clay	Ranawao	Porbandar Docks.	11	0—2—1	,,	0—1—7	,,	Introduced from 1 Nov. '52. Short distance charge only foregone without effecting any reduction in the basic rate on the representation from the A.C.C. Ltd., that the existing rate was too high for this short distance traffic.
10		Okha Madhi	Dwarka	14	0—2—1	,,	0—1—7	,,	Introduced from 1 Nov. '52. Short distance charge only foregone without effecting any reduction in the basic rate on representation of the A.C.C. that the existing rate was too high for this short distance traffic.
11		Bhatia	Sika	53	0—3—1	,,	0—2—7	,,	Introduced from 1 Nov. '52. Short distance charge only foregone without effecting any reduction in the basic rate on the representation from Shri Digvijay Cement Co. that the existing rate for raw materials for the manufacture of cement were too high and the incidence of short distance charge was heavy
12	Bauxite	Bhatia	Bedi Bunder	64	0—3—2	,,	...	...	
			Jamnagar	60	0—3—2	,,	...	...	
			Okha	45	0—2—10	,,	...	...	
			Khambhalia	27	0—2—3	,,	...	...	
			Salaya	34	0—2—6	,,	...	...	Request received from the Bombay Mineral Supply Co. Ltd., Jamnagar on 27 Oct. '55 for waival of short distance charge. The party have not furnished full justification and the matter is being investigated by the Railway.
13		Bhopalka	Bedi Bunder	58	0—3—2	,,	...	...	
			Jamnagar	54	0—3—1	,,	...	...	
			Okha	52	0—3—0	,,	...	...	
			Khambhalia	21	0—2—2	,,	...	...	
			Salaya	28	0—2—4	,,	...	...	

Q: 28. From 1st October 1948 to 31st October 1955 this railway received about 251 requests for the quotation of station-to-station rates or for reduction in the rates for various commodities. In certain cases, requests were made for several station-to-station rates. Such requests have, however, been treated as one collective request.

Out of these, 69 requests were granted. The remaining were turned down due to insufficient commercial justification. In very many cases, the parties merely applied for reduced rates and when this railway called for reasons supported by facts and figures as to why the traffic could not bear the existlevel of charges, no reply was received from the parties.

A few typical instances are given below where requests have been received from various parties, which this railway turned down as it did not find sufficient grounds for granting any reduction in rates.

(a) Messrs. Turabally Akbarally, Dhinoj, asked for a reduction in the rate for Sand from Dhinoj to Kalol and Asarva on the plea that the railway had quoted special rates for many other commodities. The party was informed that each case was considered on its merits and as such a general argument could not be entertained. The party failed to furnish commercial justification.

(b) Messrs. East West Industries, Modinagar, and Messrs. Chheharta Button Factory, Chheharta, wanted a reduction in the freight rate for Domnuts from Bombay (Carnac Bridge) to Modinagar, Chheharta and Faridabad. The request was based on the plea that factories in Southern India were at an advantage being nearer to Ports like Vizagapatam, and the reduction was therefore needed to enable them to compete with these factories in the domestic market. Naturally, the requests had to be refused on the ground that it was not possible for railways to even out the geographical advantages accruing to certain factories or industries in the country, resulting from their natural locations, etc.

(c) The Nawanagar Chamber of Commerce, Jamnagar, asked for a reduction in the rate for Garlic from Jamnagar to Bombay (Carnac Bridge). The request was based on the fact that since prices has fallen consequent on overproduction the railway should quote reduced rates to enable the producers to market the commodity. The railway could not appreciate the argument as it could not obviously modify the rates to accord with price fluctuations in the market.

(d) The Delhi Cloth and General Mills, Ltd., Delhi, applied for a reduced rate for Cotton (Raw) full pressed from Bombay (Carnac Bridge) to New Delhi. The party was unable to prove that the existing rate hampered the free movement of their traffic. In fact, on enquiry it was found that substantial traffic was moving freely at the current tariff rate. There was also no commercial justification, that is additional traffic likely to be offered for despatch was not so large as to result in net gain or increased earnings for the railway.

(e) Messrs. Mahadevlal Radheshyam, Calcutta, asked for special rates for Jute from Bhilwara, Hamirgarh, Chitorgarh, Udaipur, Fatehnagar, Kapasin, Gosunda and Pandoil to Howrah. On a fuller investigation, this railway found that after taking into account all the possible costs including transport charges, the prevailing prices were still sufficiently remunerative, and therefore the railway saw no reason merely to increase the firm's margin of profit by quoting reduced rates.

PART II.

Q: 1 (a & b) Separate statistics of goods at railway risk and owner's risk rate are not maintained by this railway and so it is not possible to indicate to what extent traders book various commodities at owner's risk and railway risk rates.

In respect of the following commodities which have both railway risk and owner's risk classifications, traffic booked from a few selected important goods booking stations was analysed over a period of one year, namely, from 1st July '54 to 30 th June '55.

	RR	OR
1. Insecticides (fluid) inflammable, having a flashing point below 76° F d	5	3
2. Insecticides (fluid) inflammable, having a flashing point at or above 76° F but below 200° F d	5	3
3. Insecticides (fluid) inflammable, non-dangerous, having a flashing point at or above 200°F P/24	5	3
4. Cider in bottles or in jars, packed in cases or hampers. P/24	7	5
5. Agricultural implements and machines NOC worked by hand or animals, unpacked P/20 f	4	2
6. Agricultural implements and Machines NOC Power operated P/20 f	5	3
7. Water, p; P/24	4	2
8. Motor Tractors f; S/3	5	3
9. Duplicating Machines; P/22	6	4
10. Slate Pencils: P/22	6	4
11. Slate, writing P/22	6	4
12. Stoneware NOC P/20	7	5
13. Airconditioning Units, P/22	14	12

Statement 'A' attached shows in respect to each individual commodity the names of stations, the bookings from which were analysed and the number of consignments total weights and total freight separately on bookings at owner's risk and railway risk rates.

From the thirteen commodities listed above, it can be safely stated that in respect of the following commodities the trade

prefer to book consignments at higher railway risk rates where alternative owner's risk rates are available:—

(i) Insecticides (fluid) inflammable, non-dangerous having a flashing point at or above 200° Fahr P/24.

(ii) Agricultural implements and machines NOC worked by hand or animals, unpacked. P/20; f.

In respect to the following other commodities also which have both railway risk and owner's risk classifications traffic booked from a few selected important goods booking stations was analysed in the past over a period of one year, namely, from 1st June 1953 to 31st May 1954:—

	RR	OR
1. Ale and beer not in bottles or in jars P/24	6	4
2. Ale and beer in bottles or in jars P/24	7	5
3. Chloride or muriate of Zinc, d	6	4
4. Cider in bottles or in jars packed in cases or hampers P/24	7	5
5. Spirits, wines and cordials (in bottles or in jars packed in cases or hampers) imported, P/23	14	12
6. Spirits, wines and cordials (Not in bottles or in jars) imported, P/24	12	10
7. Spirits, wines and cordials country (below 50% over proof having a flashing point below 76° Fahr.) p; d	11	9
8. Spirits, wines and cordials country (below 50% over proof) (having a flashing point at or above 76° Fahr.) P/24	11	9
9. Machinery other than electrical	6	4

Statement 'B' attached shows in respect of each individual commodity the names of the stations, the bookings from which were analysed and the number of consignments, total weight and total freight separately on bookings at owner's risk and railway risk rates.

Of the nine commodities listed in para 5 above 'Spirits, Wines and Cordials (in bottles or jars packed in cases or hampers) imported' is the only commodity which the trade prefer to book at higher railway risk rates, even though alternative owner's risk rates are available.

As for Part (c) of the question, namely, if there has been any change in practice in respect to booking of these commodities, in the absence of detailed statistics of consignments booked at railway risk and owner's risk rates in the pre-war days, no views can be expressed.

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STATEMENT A

Statement showing the result Analysis of Booking of Certain Commodities from specified stations during the period 1st July 54 to 30th June 55.

Commodity	Names of Stations on W. Rly. bookings from which analysed	OWNER'S RISK			RAILWAY RISK		
		No. of consignments	Total weight Mds.	Total freight Rs.	No. of consignments	Total weight Mds.	Total freight Rs.
1	2	3	4	5	6	7	8
Insecticides (fluid) inflammable having a flashing point below 76° F. d.	Bombay (CCB), Surat, Baroda, M. Yard Bhavnagar Docks, PDGR.	107	7,201	3,035	873	1,521	2,294
Insecticides (fluid) inflammable having a flashing point at or above 76° F. but below 200° F. d.	Bombay (CCB) Surat, Baroda M. Yard, Bhavnagar Docks, PDGR.	2789	91,688	50,781	1	1	3
Insecticides (fluid) inflammable, non-dangerous having flashing point at or above 200° F. P/24	Bombay (CCB), Surat. Baroda M. Yard, Bhavnagar Docks, PDGR.	3	14	15	558	612	835
Cider in bottles or jars, packed in cases or hampers. P/24.	Bombay (CCB), Asarva Jaipur, Vartej, Mithapur.	20	36	105	11	13	43
Agricultural implements and machines, N.O.C., worked by hand or animals, unpacked. P/20 f.	Bombay (CCB), Asarva, Jaipur, Indore (Goods) PDGR.	150	1,172	2,670	5624	14,283	37,059
Water (P) P/24 ...	Bombay (CCB), Baroda M. Yard, Asarva, Ajmer, Jaipur.	958	1,152	964	21	232	457
Agricultural implements and mechines N.O.C. power operated. P/20 f ...	Bombay (CCB), Baroda M. Yard, Asarva, Jaipur, PDGR.	469	3,410	10,683	271	3,866	9,584
Motor, Tractors f S/3 ...	Bombay (CCB), Baroda M. Yard, Jaipur, Bhavnagar Docks, PDGR.	934	3,743	14,268	30	1,624	4,562
Duplicating Machines P/22 ...	Bombay (CCB), Baroda M. Yard. Dohad, Ajmer, Jaipur.	Nil.	Nil.	Nil.	7	3	2
Slate pencils P/22 ...	Bombay (CCB), Surat, Godhra, Jaipur, Bhavnagar Docks.	36	65	56	120	272	198
Slates, writing P/22 ...	Bombay (CCB), Ajmer, Jaipur, Ateli, Kund.	4997	9,909	11,128	164	378	634
Stone ware N.O.C. P/20 ...	Bombay (CCB), Baroda M. Yard, Than Jn., Nazarbagh, Wankaner Jn.	3543	48,984	72,297	32	161	527
Air-conditioning Units P/22 ...	Bombay (CCB), Baroda, Jaipur, Indore (Goods), Mhow.	Nil.	Nil.	Nil.	4	55	125

STATEMENT B

Statement showing the result of Analysis of Booking of certain Commodities from specified stations during the period 1st June 1953 to 31st May 1954.

Commodity	Names of stations on W. Rly. booking from which analysed	OWNER'S RISK			RAILWAY RISK		
		No. of consignments	Total weight Mds.	Total freight Rs.	No. of consignments	Total weight Mds.	Total freight Rs.
1	2	3	4	5	6	7	8
1. Ale and beer not in bottles or in jars, P/24.	Bombay (CCB), Jaipur, Mhow, Jamnagar, Churchgate,	Nil.	Nil.	Nil.	14	96—23	173
2. Ale and beer in bottles or in jars.	Bombay (CCB), Jaipur, Mhow, Jamnagar, Churchgate.	3274	6,694	17,848	6,230	10,542—00	36,168
3. Chloride or muriate of Zinc ...	Bombay (CCB), Ahmedabad, Vartej Mithapur, Okha.	59	24,335	20,840	18	10,070—00	1,947
4. Cider in bottles or in jars, packed in cases or hampers, P/24 ...	Bombay (CCB), Ahmedabad, Vartej Mithapur, Okha.	52	94	542	Nil.	Nil.	Nil.
5. Spirits, Wines and cordials (in bottles or jars packed in cases or hampers) imported P/23 includes Liquor.	Bombay (CCB), Upaipur, Jaipur, Mhow, Churchgate.	428	586	451	9,275	5,552—00	27,672
6. Spirits, Wines and cordials (not in bottles) or in jars imported Includes, Liquor, P/24.	Bombay (CCB), Udaipur, Bhavnagar Ter., Jaipur, Mhow.	13	54	25	Nil.	Nil.	Nil.
7. Spirits, Wines and Cordials, country (below 50° over proof having a flashing point below 76° F) P. d.	Bombav (CCB), Udaipur Ahmedabad, Bhavanagar Terminus, Jaipur.	82	1,025	467	Nil.	55	24
8. Spirits, Wines and Cordials, Country (below 50° over proof having a flashing point at or above 76°F P/24.	Bombay (CCB) Udaipur, Bhavnagar Terminus, Jaipur, Mhow.	19	366	132	16	43	64
9. Machinery other than electrical.	Bombay (CCB), Indore, Surat Ahmedabad, Bhavnagar Terminus.	38349	4,08,219	3,97,840	3,146	1,45,688	2,99,654

Q: 4. (a) There has been a marked increase in the amount of compensation paid by this Railway from 1940 to 1955 as will be seen from the following figures :—

Average amount of compensation paid with No. of Claims received from 1940 to 1955.

Quinquennial Period	No. of claims	Amount paid.
1940-45	9,288	Rs. 3,29,434
1945-50	14,629	18,26,988
1950-55*	34,747	44,68,256

It will be seen from the above figures that the average annual compensation paid during the quinquennial period 1950-55 is Rs. 44,68,256-0-0 as compared to Rs. 3,29 434-0-0 paid during the period 1940-1945. The principal commodities affected are (i) Grains and Pulses, (ii) Sugar, (iii) Cotton, (iv) Textiles, (v) Iron and Steel and (vi) Perishables.

(b) No statistics in respect to the relative prices of commodities affected are maintained in this office. General experience however shows that prices have increased between three to four times what they were prior to 1940. *e.g.* claim for the loss of a betel leaves basket weighing 5 seers was settled at Rs. 2-0-0 in 1939 as against Rs. 7-0-0 at present. The increase in traffic, of these commmodities is given below:

Average Yearly Traffic handled by the Western Railway (figures in hundreds of tons).

Quinquennial Period	Grains and Pulses	Sugar	Cotton	Textiles	Iron and Steel	Perishables
1940—45	5,527	240	1,861	2,354	534	1,508
1945—50	8,566	543	1,877	1,878	1,399	1,902
1950—55*	15,018	2,644	3,713	2,198	3,205	2,383

**Note*:—Figures for the period 1950—55 are for the Western Railway whereas the previous figures are for the ex-B. B. & C. I. Railway.

Q: 5. (a) The causewise break up of compensation claims paid on the average annually during the quinquennial periods 1940-45, 1945-50 and 1950-55 is given below. No statistics for claims paid for delayed delivery were maintained in this office upto 1952.

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Quinquenial period.	Shortage.			Thefts.			Damage by wet or leakage.			Delay in delivery.			Breakage.			Other causes.		
	Number of claims.	Amount paid. Rs.	% of total amount	Number of claims.	Amount paid. Rs.	% of total amount	Number of claims.	Amount paid. Rs.	% of total amount	Number of claims	Amount paid. Rs.	% of total amount	Number of claims.	Amount paid. Rs.	% of total amount	Number of claims.	Amount paid. Rs.	% of total amount
1940-45	6332	175294	53%	325	16983	5 %	998	16050	5%	—	—	—	122	5977	2 %	1508	115131	35 %
1945-50	9709	860061	47%	50	8570	·5%	449	55359	3%	—	—	—	45	2354	·1%	4376	900644	49·4%
1950-55	22216	2798928	62%	289	52485	1·5%	3557	546193	12%	606	81048	2%	190	26910	·5%	5869	962692	22 %

Q: 5 (b) & (c). Causewise statistics in respect to value of claims received and those rejected are not maintained in this office.

Q: 6. No satistics in respect to claims rejected are maintained. Generally speaking, the claims rejected are in respect of breakage, leakages and partial shortages from consignments booked at owner's risk rate and under qualified remarks for defective packing. Main commodities in this category are "oils" and "perishable parcels."

Claims for compensation are also rejected for loss of entire consignment or part thereof if the same is ascertained to have arisen out of causes over which the Railway Administration had no control *viz.*, running train theft and accidental fires.

Q: 20. The total amount of compensation paid by the Western Railway during 1954,55 was Rs. 39,281,58. The number of claims registered during this year was 62,960 for a total amount of Rs. 1,40,41,065. The percentage of claims paid to the total number of claims disposed of during this year was 62·1%. Out of the balance of 37·9%, nearly 15% would relate to claims received on account of delayed delivery which were subsequently cleared by repudiation on information received from the stations, that the consignment had been delivered on clear receipt. The balance of 22·9% would represent claims that were repudiated because of the liability of the Railways as "Bailees" and not as "Insurers". The claims so repudiated are mainly of high valuation as they represent losses due to running train thefts and accidental fires to consignments. From general experience it is believed that had the liabilities of this Railway during 1954-55 been that of "insurer" as against "bailee" under the Indian Railway's Act, the total compensation payable would have approximated 70 lakhs as against 39.28 lakhs actually paid.

The incidence of running train thefts on this Railway is not very heavy and the figures of running train thefts for the year 1954-55 are given below:—

(i) No. of running train thefts. = 367

(ii) Amount involved = Rs. 1,01,557-0-0.

The commmodities mainly affected in running trains thefts are C.P. Bales, Motor Tyres, Grains and Pulses, Spices and Medicines.

Q: 15. The standard packing conditions and other special conditions of packing applying to particular commodities are considered adequate and no change is advocated. If at any time the trade devise any suitable alternative packing conditions, they are accepted after tests and experimental bookings are carried out and such modes of packing found to be satisfactory.

Q: 17. In the Second Five Year Plan, railways have made suitable provision for additional terminal facilities at goods sheds and transhipment points. Further, standard size plots of land are being leased out to the Trade for stacking goods at nominal fees.

This administration is not aware of any scheme for providing storage facilities on a planned basis either by private business or co-operative bodies.

As railways are already taking necessary steps, it is not considered desirable that any outside bodies should be entrusted with the provision of such facilities.

Q: 21. This railway has no remarks to offer.

PART III

Q: 5. The subjoined statement gives the dates on which complaints were filed before the Railway Rates Tribunal and the dates on which decisions were delivered by the Tribunal in respect of cases in which this railway was impleaded:—

Complaint No.	Date on which complaint made.	Date on which judgment delivered.	Approximate Time taken.
Comp. 1 of 1950	25 Sept. 50	13 Aug. 51	10½ months.
Comp. 1 of 1951	23 Jan. 51	19 Nov. 51	10 months.
Miscellaneous Application No. 1 of 1952	22 Dec. 51	12 Feb. 52	1½ months.
Comp. 7 of 1952	30 July. 52	19 Nov. 53	15½ months.
Comp. 1 of 1954	17 Dec. 53	28 Oct. 54	10½ months.
Comp. 4 of 1954	13 May. 54	28 Oct. 54	5½ months.
Comp. 2 of 1954	6 Jan. 54	20 April 55	15½ months.

It will be observed that the maximum time taken is 15½ months and the minimum is 5½ months for the disposal of a complaint if the disposal of an application is not taken into account. The average time taken in a case works out to about 10 months.

After a complaint is received by the Tribunal a copy has to be furnished to the individual railways concerned, giving them a minimum of 30 days from the service of the complaint to send a reply, extension to which period has to be granted in many cases. Moreover, after receipt of replies from the respondents the Tribunal has to allow a further period of 14 days to the complaintants to file or send any further reply to the Tribunal, before the date for framing issues is fixed. In view of the absolute necessity for following this procedure which however, cannot be dispensed with it is considered that the time taken by the Tribunal to dispose of complaints cannot be deemed excessive.

Q: 6. It is stated that the actual cost to the parties for obtaining a case adjudicated upon by the Railway Rates Tribunal is very high. Initially, it is required to be appreciated that the cost involved in obtaining a case adjudicated upon by the Railway Rates Tribunal, has very little to do with either the constitution or the nature of the Tribunal but depends primarily on the status of the legal advisers or advocates which the parties concerned employ for the conduct of the cases.

In cases, in which this railway was impleaded the cost that this railway had to bear is given below:—

Complaint No.	Cost borne by Western Railway. Rs. a. p.
Comp. No. 1 of 1950	1746 11 0
Comp. No. 1 of 1951	1035 5 0
Miscellaneous Application No. 1 of 1952	250 0 0
Comp. No. 7 of 1952	1430 0 0
Comp. No. 1 of 1954	940 10 0
Comp. No. 4 of 1954	203 6 0
Comp. No. 2 of 1954	2968 12 0

The figures of the cost indicated above cannot be deemed excessive.

Even if the cost of all the railways impleaded in a particular case is taken it would not be more than a few thousand rupees. It will be appreciated that the decisions that are obtained from the Tribunal have financial implications to such a great extent that if the cost involved is compared with that figure, it would prabably be an insignificant portion. In the circumstances, this Administration is of the view that the actual cost in obtaining a case adjudicated upon by the Raitway Rates Tribunal cannot be deemed to be very high.

Ministry of Transport,
New Delhi.

PART II.
GENERAL

Comparative Study of Rail and Sea Freights

As there is a misconception in certain quarters that sea freights are generally higher than rail freights an attempt is made here to present a comparative study of rail and sea freights on some important commodities.

Coal:—At page 3 of the Report of the Railway Board of Indian Railways for 1953—54, Volume I, the following composition of goods traffic is given.

Coal	38.24%
Grains	9.47%
Oilseeds	1.62%
Railway Stores	2.26%
Other Commodities	48.41%
Total	100.00%

It will be observed that Coal as one single item is carried in far larger quantities by the Indian Railways than any other single commodity. The current freight rates on Coal over the Railways are as under:—

	Pie per maund per mile.
1 to 200 miles	0.30
plus 201 to 400 miles	0.10
,, 401 to 1,000 miles	0.08
,, for all distances beyond	0.07

In this connection the Coastal Conference had asked Mr. N. C. Ghosh, a retired railway official, to work out the cost of carriage of Coal by rail. His memorandum dated 19th April 1955 on this subject is attached (Appendix 1). It will be seen from this memorandum that the current rates on Coal charges by the Railways do not cover their operating costs. A comparison of rail and sea freights, together with what the railway freights should be, if railway were to charge an economic rate, is given in the following table:—

From Ranigunj to	Rail Freight			Current sea freight from Calcutta.
	Current.	At minimum cost worked out at 6 pies per ton mile.	At minimum cost worked out at 7.5 pies per ton mile.	
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Madras ...	20 5 0	34 7 0	42 9 3	28 6 0
Cuddalore ...	22 3 0	39 9 0	49 7 10	29 6 0
Tuticorin ...	24 7 0	48 4 0	60 5 0	29 6 0
Cochin ...	24 2 0	48 0 0	60 0 0	32 0 0
Mormugao ...	23 12 0	44 3 0	55 4 5	38 5 0
Bombay ...	20 14 0	36 6 0	45 7 6	32 0 0
Okha ...	24 5 0	48 1 6	57 9 11	39 14 0

It will be seen that the Railway carry coal at rates lower than their cost of operation. The Coastal Conference has no desire whatsoever to be critical about the policy of the Railway Board in regard to the rail rates on coal for which the Railway Board may have their, own reasons. It wishes, however, to observe that, since the reasonableness of the sea rates is to be assessed by reference to the cost of operating ships, the sea rates should be compared, not with the rates which the Railways actually charge, but at least with their cost of operation even if any margin of profit thereon were to be ignored. Unless the comparison is so made, the comparison is not of "like with like" and serves only to create a totally misleading impression in the minds of all concerned.

General Cargoes: In the first instance, some idea of the manner in which Railways have organised their freight schedule may be indicated. As shown in "Goods Tariff Part I" (vide para 63 at page 47), published by the Central Railways and in force from 1st October 1953, which gives the rates published by the Indian Railways Conference Association and which are applicable to all Indian Railways in "local" and "through" bookings, the Railways have three types of rates, *viz*:—

(i) Standard telescopic Class.

(ii) Standard Telescopic Wagon Load; and

(iii) Station-to-Station.

It would appear that the Railways for the purpose of charging rate under the "Standard Telescopic Class", have divided commodities into 15 classes. The classification for each type of article is indicated against the same at pages 166 onwards of the publication. As regards rating, the same is given on page 48 and is reproduced below with modifications as introduced by the Railways on and from 1-4-55.

Class	Basis of Telescopic Class — Rate Pie per Md. per mile			Minimum	Maximum	Maximum rate per maund exclusive of terminals, transhipment and other extra charges
	For the 1st 300 miles	Plus for the next 300 miles	Plus for the distance beyond			
						Rs. a. p.
1st	·54	·45	·34	·16	·54	3 3 0
2nd	·59	·49	·38		·59	3 8 0
3rd	·64	·54	·42		·64	3 13 0
4th	·69	·58	·46		·69	4 3 0
5th	·75	·63	·49		·75	4 12 0
6th	·80	·68	·54		·80	5 2 0
7th	·86	·73	·58		·86	5 9 0
8th	·92	·78	·62	·20	·92	6 0 0
9th	·99	·84	·66		·99	6 7 0
10th	1·07	·90	·71		1·07	6 14 0
11th	1·14	·97	·76		1·14	7 6 0
12th	1·22	1·04	·82		1·22	7 14 0
13th	1·30	1·11	·88		1·30	8 8 0
14th	1·55	1·18	·94		1·55	9 4 0
15th	2·32	1·41	1·00		2·32	11 0 0

It will be apparent from the above table that the rating is higher for the first 300 miles, it is less for the next 300 miles, and for 600 miles and beyond the rating is still less.

In connection with the comparison between rail and sea rates it is important to remember that shipowners are interested mainly in lifting cargoes in quantities larger than unit packages for even wagon loads. However, for the purposes of this Note it is proposed to compare the sea rates with the standard Telescopic Wagon Load Rates. These Wagon Load Scales are published at page 158 of the above "Goods Tariff" and reproduced below with the addition of the scale WL/BR with effect from 1-4-55.

Wagon Load Scale.	Basis per maund per mile.					
W·L/A	·25/100	Miles.	Plus.	·20/300	Miles.	Plus.	·15/beyond
W·L/AR·	·30/100	,,	,,	·25/300	,,	,,	·20/beyond
W L/B	·48/100	,,	,,	·32/100	,,	,,	·23/beyond
W·L/BR·	·48/100	,,	,,	·30/100	,,	,,	·20/beyond
W·L/C	·34/150	,,	,,	·31/150	,,	,,	·17/beyond
W·L/CQ·	·36/150	,,	,,	·33/150	,,	,,	·18/beyond
W·L/CR·	·41/150	,,	,,	·38/150	,,	,,	·24/beyond
W·L/D	·38/100	,,	,,	·28/300	,,	,,	·18/beyond
W·L/E	·43/150	,,	,,	·32/150	,,	,,	·17/beyond
W·L/F	·43/300	,,	,,	·32/300	,,	,,	·21/beyond
W·L/G	·48/300	,,	,,	·34/300	,,	,,	·19/beyond
W·L/H	·48/300	,,	,,	·35/300	,,	,,	·23/beyond
W·L/I	·43/300	,,	,,	·23/200	,,	,,	·15/beyond

It will be observed that, whereas for the class rates the mileages were kept at first 300, next 300 and beyond for the wagon load mileages are variable. Furthermore, it will also be observed that the wagon load rating is lower than the class rating, so much so that the highest wagon load rating, namely, WL/H is even less than the lowest rate, namely, Class I.

It will now be interesting to note the types of commodities that can be moved by wagon load under the "Goods Tariff-Part I" referred to above and are summarised below:—

W.L/A Farmyard Refuse, Fish Manure, Offal, Oilcake, Water etc.

WL./AR Bone Dust, Bonemeal, etc.

W.L/B Chemical Manures, Bicarbonate of Soda, Caustic Soda, Hide Fleshing, Leather Refuse, etc.

WL/BR. Chemical Manures.

W.L/C Ashes, Ballast, Chalk, Clay, Firewood, Gypsum, Iron, Pig Iron or Steel Dust and Scrap, Manganese Ore, Common ores, Raw materials for the manufacture of Paper or Strawboard, Soapstone, Tiles etc.

W.L/CQ. Bones and Bones Sinews.

W.L/CR. Bamboos, Grass dry and green etc.

W.L/D Bran, Grain and Pulses including Rice and Wheat, Husks of Grains, Pulses, etc.

W.L/E Cement, Timber, Seeds Common Fresh fruits, Onions, Potatoes, Refractory Bricks, Tar, Vegetables, etc.

WL/G Jaggery.

WL/H Flour, Oilseeds, Sulphur, etc.

WL/I Salt.

We now turn to the comparison of freight rates on rail and sea routes with regard to principal commodities. The freight rates on principal exports by sea, from individual coast ports to other coast ports, are examined in juxtaposition with the relevant railway freight rates. The Railway freight rates could only be obtained in maunds and have been converted into tons at 27.22 maunds per ton. Some of the sea freight rates also have been converted to a ton of 20 cwts., either from their applicable scale tons, or from the cubic measure. From the data collected the following summary table is constructed:—

Commodity	Destination	Sea Freight	Rail Freight
EXPORTS EX OKHA			
		Rs.	Rs.
Cement	Bombay	21 0 0	29 14 7
	Calcutta	35 8 0	50 0 9
Caustic Soda	Bombay	33 0 0	29 14 7
	Cochin	43 8 0	65 14 9
	Calcutta	50 8 0	61 1 8
Soda Ash	Bombay	28 0 0	29 14 7
(under 200 tons)		23 0 0	
(over 200 tons)			
EXPORTS EX BOMBAY			
Seeds (varying from minimum Soya Beans to maximum Ari Seeds)	Cochin	21 0 0 to 42 0 0	49 5 5 to 103 7 11
Piece-goods	Cochin	70 0 0	126 9 7
	Madras	63 0 0	98 6 3
	Calcutta	73 0 0	138 3 8
Cotton (Indian and American F.P)	Madras	63 0 0	91 11 7
	Calcutta	70 0 0	129 4 9
EXPORTS EX COCHIN			
Coir Rope and Yarn in coils and Bundles	Bombay	39 8 0	82 3 2
	Calcutta	40 8 0	102 10 3
Black Pepper	Bombay	90 8 0	126 9 7
	Okha	114 0 0	167 6 4
	Madras	88 0 0	60 13 1
	Calcutta	134 8 0	158 3 6
EXPORTS EX TUTICORIN			
		Rs.	Rs.
Cement	Calcutta	26 0 0	47 12 5
Yarn	Bombay	69 0 0	132 13 5
	Calcutta	62 0 0	160 7 9
EXPORTS EX CUDDALORE			
Cement	Calcutta	25 0 0	41 15 5
EXPORTS EX MADRAS			
G. N. Oil	Calcutta	36 0 0	78 1 10
EXPORTS EX KAKINADA			
Rice	Cochin	31 8 0	34 14 0
EXPORTS EX VISAKHAPATNAM			
Beedi Leaves	Cochin	97 0 0	107 7 5
	Tuticorin	97 0 0	109 11 8
	Madras	58 0 0	66 13 3
	Calcutta	121 0 0	73 13 10
EXPORTS EX CALCUTTA			
Sulphate of Ammonia	Madras	31 8 0	39 2 1
	Cuddalore	32 8 0	44 3 9
Jute, Gunnies, Webbing, Hessian,	Bombay	36 0 0	121 3 5
Canvas, etc.	Cochin	65 8 0	138 10 5
	Madras	36 0 0	105 3 1
Structural Steel	Bombay	44 0 0	88 14 3
Weighing 20 cwt.	Okha	59 0 0	105 14 5
and for 1 ton or less	Madras	36 0 0	67 8 9
Hardware	Bombay	44 0 0	170 11 1
	Okha	68 0 0	203 7 1
	Madras	43 8 0	148 4 8
Tea	Bombay	72 0 0	148 9 3
	Okha	97 0 0	177 14 9

It will be observed that in almost all cases the freight rate by rail is higher than by sea. It is necessary for purposes of comparison to add incidental charges, to rail and sea freight shown in the above table. Such incidental charges on the Railways may be ignored as they are comparatively much less than what they are on the sea route. If an amount of about Rs. 20-0-0 per ton being incidental charge covering both ends were added to the sea freights it will be seen that the cost of carriage by sea works out to be lesser than that by rail in most of the commodities shown above. Such commodities should, therefore, not move by rail as they already enjoy the benefit of lower rates by sea route.

General Cargoes: In regard to various items of General Cargo, co-ordination of rail and sea transport should be considered on the following principles :—

* *

The Railways have in 1948 rationalised their tariff structure and have fixed freight rates on a telescopic basis. On the whole this is fair and reasonable. But Railways are also understood to be quoting special rates (*i. e.* rates much lower than otherwise would be warranted) for attracting fresh and/or increased traffic either in certain sectors or in certain commodities or in both. The Railways should not, as a matter of policy, quote special rates merely with a view to attracting or diverting traffic from another mode of transport. The basic principle that should govern the rate fixing policy of the Railways should be the provision of an efficient and economical transport for the inland movements of traffic as distinct from traffic moving from port to port including their hinterlands within a range of, say, 125 miles.

The Commissioners of Port of Calcutta.

Calcutta.

PART I-A

Q : 41. The fixation of freight rates for principal items of export referred to in this question is an issue on which the Commissioners would wish to express an opinion specially in view of the importance attached by Government to export trade and the setting up of appropriate promotion committees. In the case of a number of commodities exported from this country, railway freight is one of principal items of expenditure to an exporter next in importance to sea freight and as such fluctuations in the competitive conditions prevailing in the export markets should be taken into consideration in fixing freight rates for these commodities. This was clearly noticeable in the case of ore exports from this Port last year when the volume of shipment dropped appreciably as soon as the price quoted in the overseas market registered a fall.

In view of the provisions made in the Second Five Year Plan for increasing the shipping tonnage the Commissioners would plead for greater co-ordination between railways and sea transport not only in the coastal but also overseas routes by providing where necessary preferential freight rates for cargoes transported by Indian owned vessels.

PART II

Q : 17. The Commissioners have provided facilities in the port for the warehousing of both inward and outward traffic and specially sea-borne cargoes. Warehouses, godowns and open space for storage of goods are also let out by the Commissioners to private parties on a monthly rental basis.

Q : 19. Thefts and pilferages of cargoes while in the custody of the Railways are now on the increase and this can be prevented only by increasing the strength of the Watch & Ward staff and toning up their efficiency, granting attractive rewards to the public for apprehension of thieves and introduction of measures which would facilitate quick trial and summary punishment of the culprits.

Q : 21. The existing set up for dealing with claims might be examined with a view to introducing measures which would expedite settlement of claim cases.

The Administrative Officer, Port of Cochin,

Cochin.

PART I-A.

Q: 4. As the long distance haul is restricted to a maximum charge of 1,500 miles. traffic which will use the sea route get diverted to rail. So long as there is haulage, charge may be levied on the whole distance.

Q: 5. The terminal and transhipment charges are for services rendered and may remain at existing rates. The short distance charge may also remain as some time may be wasted in such hauls.

Q: 29. The adoption of the principle of telescopic rate has affected the revenue of the Port from the Cochin Harbour Railway, which had its own separate rates previously.

Q: 30. Station-to-station rates should be quoted for Ports, to stimulate export trade.

Q: 55. The Cochin Harbour Railway is worked by the Southern Railway and they have to see that any adjustments in freights do not affect the Port's revenues from its railway.

The Development Commissioner, Kandla Port, Gandhidham,

Kutch.

PART I-A

Q: 3 (ii) (a & b). Any substantially steeper telescoping will be objectionable as it may lead to diversion of traffic from certain areas to a more distant Port, which will not be in the overall interest of the country as it will result in waste of transport capacity and irrational utilisation of the Port facilities provided at the various Ports.

Q: 4. As 1,500 miles is a fairly long distance, this particular factor does not affect the command of the various Ports as regards the point referred to in the reply to Q: 3 (ii).

Q: 8. I would suggest that a common principle should be adopted on all the Railways. Empty haulage charge should not be levied, but the rates for liquid commodities should be so fixed as to cover the cost of empty haulage to the extent to which on the whole the tank wagons are not able to get back loaded.

Q: 17. It is certainly desirable to have "train load rates" especially for movement of bulk cargo like coal, ore etc., to Ports and large cities From the Port s point of view it is easier to deal with train loads, particularly train loads of any particular commodity in the case of both exports and imports. The loading or unloading operations at the port are speedier in the case of train loads.

Q: 21 (c) Yes, most certainly.

Q: 23. I would not support a freight pool for petrol and kerosene oil as it might disturb the apportionment of areas to various ports for supplies of these commodities and thus cause irrational utilisation of the special facitilies provided at various ports and wastage of assets.

Q: 28. There have been numerous requests from trade intending to use Kandla for concessional freights and "Station-to-station" rates to enable them to market their goods at competitive prices in the foreign market.

The following are the details of requests made so far. They have not yet been met by the Railways.

S. No.	Commodity.	Address.
1.	Iron ore	M/s National Tractors, Jodhpur.
2.	Soapstone & Iron ore	Jaipur Minerals Syndicate in Rajasthan.
3	Mica	

Q: 30. I agree that export trade should get the benefit of station-to-station rates in particular commodities care being taken not to do excessive violence to the economics of transportation.

Q: 34. I am afraid this policy will act adversely for Kandla Port as it will result in relatively higher freights to and from Kandla and thus hinder the development of export and import trade at this new port. An exception should therefore, be made in the case of Kandla if this policy is accepted.

Q: 39. The rates should not be increased beyond what the particular traffic can reasonably bear, otherwise it will become impossible for that commodity to move re-

sulting in shortages of that commodity in certain parts of the country.

Q: 42. This question cannot be answered with regard to Rail traffic to and from Kandla because this port has been opened only recently. It was a minor port upto 1954.

Imports.

Commodity		Tons.
Cement	...	12,000
Chemicals	...	12,000
Coal	...	15,000
Cotton	...	30,000
Dates	...	3,000
Iron & Steel	...	25,000
Piece Goods & consumer goods	...	16,000
P.O. oils	...	5,00,000
Timber	...	7,000
Total	...	6,20,000

I am not yet in a position to assess the possible increase in this due to the developments in the private and public sectors during the Second Plan period.

PART I-B.

Q: 2. The information will be supplied by the Oil Companies. However, it may be mentioned here that Kandla is expected to handle 5,00,000 tons of petrol, oil and lubricants from 1956 onwards and supplies upto Delhi and Punjab will be made through this port. The break up of the figure is as follows :—

Serial No.	Name of Commodity.	Quantity.
1.	Motor spirit (Petrol)	1,60,000 tons
2.	Kerosene	1,60,000 tons
3.	High speed diesel	70,000 tons
4.	Light Diesel oil	86,000 ,,
5.	Vaporising oil	9,000 ,,
6.	Furnace oil etc.	15,000 ,,
	Total ...	5,00,000 tons

Q: 3. This information will be furnished by the various mines in the hinterland. However, we expect to handle about 50,000 tons of Iron Ore annually to start with. The ore is to come from Rajasthan for shipment to foreign countries.

PART II.

Q: 1 to 7. The Kandla Port is just coming up and the trade involving the movements of large volume of cargo from and to hinterland by rail, is yet to commence in the right earnest. It is, therefore, not possible to precisely answer at this moment very many questions regarding the extent of booking at railway risk or at owner's risk, the types of commodities moving, the extent of risk being covered by Railways and the insurance etc. so far as this port is concerned. The answers that would be available from the Bombay Port Trust with reference to these questions should be taken as true for Kandla also as we except a similar movement of cargo to commence shortly from and to the hinterland.

Q: 8 to 13. I feel that the time has come when the Railway should carry all kinds of goods, in smalls, wagon loads, including the excepted articles at Railway risk. It may be necessary to make certain upward adjustments in freight rates and rules regarding the carriage of goods before this responsibility is assumed. Now that the Railway is a State owned organisation, it does not appear to be necessary to have many classifications introducing complexity to the subject. These classifications, perhaps, suited the company owned Railways in the past.

Q: 14 to 16. The Railways should prescribe as carriers certain minimum standard of packing conditions for commodities before acceptance of booking.

Q: 17. As far as the ports are concerned no special warehouses need be provided by the Railways. The port's transit sheds and warehouses will be able to cater to the export and import cargo arriving by rail or intended for despatch by making some suitable arrangements. It will be superfluous if the Railways also start putting up warehouses in the Port area for storage of goods.

Q: 18. It is a fact that the trade has felt that the Railways should assume the responsibilities of a common carrier and not that of a bailee. The ships which carry goods assume the responsibility of 'carriers' and it is only the port administrations which hold the goods in transit for delivery to the owners, have been given the status of a 'bailee'. Although the Railways are actually the common carriers, it is not known why their liability has been limited to that of a bailee by Statute. It is felt that the Railway should accept the normal responsibility of a carrier and if necessary make an adjustment of freight so as to include an element of this extra responsibility. It is also worth finding out what the responsibilities of the Railways in foreign countries are, before a final decision is taken on this subject.

Q: 19. It is understood that there is a proposal to introduce a bill in the Parliament seeking to constitute a central watch and ward force with special police powers to combat the menace of thefts and pilferage in Railways. When this is accomplished we might expect substantial improvements in the situation.

Q: 50 & 53. The following are the principal exports and imports expected to be handled annually by the new Port from 1st April 1957, the date by which the port is expected to be fully completed :—

Exports.

Commodity		Tons.
Bones crushed	...	15,000
Cotton	...	10,000
Foodgrains	...	5,000
Iron Ores	...	50,000
Pulses	...	5,000
Soapstone	...	4,000
Wool	...	20,000
Salt	...	75,000
Total	...	1,84,000

PART III.

Q: 1 to 12. I feel that, the Railways having now completely become a Government undertaking, functioning under the Parliamentary control, the existence of a judicial body like Railway Rates Tribunal does not appear to be necessary. It was necessary in the olden days when the private bodies were in the picture along with the State owned Railways. The disputes arising out of fixation of rates, etc. had necessarily to be settled by a judicial body acceptable to both private and State owned Railways The position no longer exists. It should be done by the Government if necessary with the help of an Advisory Body on which suitable representation of trade interests and several users of Railways may be given.

In ports such bodies exist—the trustees in the case of Bombay, Madras and Calcutta and Members of the Advisory Committee in the case of Kandla and Cochin tender their advices for fixation of rates. The Government in all cases is the final authority to fix rates or dispose of applications for reduction or enhancement of rates. I see no reason why the Railways should not follow suit in the context of the present day changes.

Madras Port Trust,

Madras.

PART I-A.

Q: 4. No change appears necessary.

Q: 5. These charges are necessary. The quantum of charges for items (i) and (iii) may be enhanced to meet the increased cost of services. The quantum for (ii) also may be increased. This will have the effect of discouraging such traffic making available wagon space for longer distances. The former can as well be served by Road Transport.

Q: 6. No rise in the limit appears necessary.

Q: 7. May be raised to discourage short distance traffic.

Q: 8. The empty return haulage may be abolished for uniformity of procedure on all railways.

Q: 13. (a) May be increased to discourage "Smalls" booking.
(b) No.

Q: 14. Rise is agreed to. 20 sees. may be fixed as the minimum.

Q: 21 (a). Yes. Upto 50 miles.
(b & c). Yes.

Q: 23. A freight pool may be formed in respect of the following commodities:—

1. Foodgrains.
2. Sugar.
3. Textiles.
4. Manure.
5. Fodder for animals.
6. Coal.
7. Iron & Steel.
8. Kerosene Oil.
9. Petrol.
10. Cement.
11. Salt.

Traffic moving over a minimum distance may be excluded from such a pool.

Q: 24. Yes.

Q: 25. Railways.

PART II.

Q: 1. (a) Of the commodities booked from this Railway, only 8% form booking at railway risk rates and the balance 92% at owner's risk rates.

(b) Except in the case of insecticides and piece goods no preference is shown by traders to book at the higher railway risk rate. Names of the principal commodities with their relative proportion of booking both at owner's risk rate and railway risk rate are given below:—

Commodity.	Percentage of booking. O/R Rate.	R/R Rate.
Insecticides ...	15	85
Piece Goods ...	33	67
Machinery ...	66	34
Printing ink ...	75	25
Agricultural Implements	77	23
Asphalt ...	79	21

Note:—(a) and (b) above are based on the traffic during 1954—1955.

(c) The change in practice in the above respect compared with the pre-war period cannot be furnished as the pre-war records are not available. However the principal changes in procedure now in force compared to the pre-war period are as under:—

i. Abolition of Risk Notes.

ii. Revision of Forwarding Notes embodying condition of carriage.

iii. Where alternative railway risk and owner's risk rates are available, the goods will be booked at railway risk only if the sender so elects in writing on the Forwarding Note.

iv. The sender to be given a certificate in the prescribed form when elects to book at railway risk rate although as alternative owner's risk rate is available and no certificate is to be issued when no alternative owner's risk rate is available.

Q: 4. (a) There is increase in the payment of compensation claims by railways. The principal commodities so involved are Iron Materials, Rice, Wheat and Sugar. As records prior to 1952 are not available, no

data can be furnished with reference to the quinquennial periods of 1940-1945 etc.

(b) The exact quantum of increase in the volume of traffic compared to the pre-war and the quinquennial periods of 1940-1945 etc., cannot be arrived at as the figures prior to 1952 are not available. However the volume of traffic in respect of these commodities for the last 3 years is as under :—

	1952–53. Tons.	1953–54. Tons.	1954–55. Tons.
Iron Materials.	19,772	12,703	12,113
Rice ...	16,824	401	57,775
Wheat ...	1,13,984	97,439	14,896
Sugar ...	31	37,497	71,343

This Railway is unable to furnish the relative prices of the above commodities.

Q : 5 (a)

	Payment. Rs.	Proportion Rs.
(i) Thefts & Pilferages ...	5,259	74%
(ii) Misdespatch ...	...	...
(iii) Deterioration due to delay in transit ...	...	...
(iv) Fall in prices owing to delay in transit ...	...	...
(v) Damage to consignment due to rough shunting and rough handling ...	267	4%
(vi) Leakage and damage due to wet ...	590	8%
(vii) Other causes ...	1,006	14%

(b)	Value preferred Rs.	Payment Rs.
(i) Thefts and pilferages	5,450	5,259
(ii) Misdespatch	...	...
(iii) Deterioration due to delay in transit ...	...	...
(iv) Fall in prices owing to delay in transit ...	...	...
(v) Damage to consignment due to rough shunting and rough handling ...	286	267
(vi) Leakage and damage due to wet ...	625	590
(vii) Other causes ...	1,140	1,006

(c)	Amount Rejected. Rs.	Proportion Rs.
(i) Thefts & Pilferages ...	4,673	16%
(ii) Misdespatch ...	...	...
(iii) Deterioration due to delay in transit ...	...	...
(iv) Fall in prices owing to delay in transit ...	...	...
(v) Damage to consignment due to rough shunting and rough handling ...	379	1%
(vi) Leakage and damage due to wet ...	3,114	11%
(vii) Other causes ...	21,137	72%

Q: 6. The principal commodities generally involved are :—

	Claims preferred. Rs.
(i) Machinery ...	13,986
(ii) Foodgrains ...	6,984
(iii) K. Oil ...	2,140
(iv) Iron Articles ...	1,800
(v) Sugar ...	1,266
(vi) Fertiliser ...	1,174

Q : 7. (a) As responsibility devolves on the railways not only when misconduct is inferable but also where negligence can be fairly inferred, it has the effect of safeguarding the interests of the trader more than previously and hence bookings at railway risk rate paying a higher rate of charges are on the decrease.

(b) The import of the term "Negligence" gave wider scope for the trader in respect of his claims as it includes all wrongful acts of commission or omission. It implies the failure to take that care of goods entrusted to a person, which an ordinary prudent man would take in similar circumstances. Thus the Railway's liability as bailee for the goods entrusted to their care, has become greater than before. Therefore narrowing of the difference between owner's risk rate and railway risk rate is desirable.

Q : 8. The sender should be given the option of the two rates *viz.* owner's risk rate and railway risk rate for all commodities whether moving in smalls or wagon loads.

Q : 9. When both the rates are made applicable to all commodities as suggested in answer to Q : 8, the disparity will not vary so widely. However a fixed precentage

increase over the owner's risk rate for the railway risk rate, if implemented, will remove completely such variations.

Q: 10. It is not desirable to withdraw altogether the owner's risk rate. Please see suggestion in answer to Q: 8.

Q: 11. As suggested in answer to Q: 8 complete withdrawal of owner's risk rate is not advocated by this railway. Further, a consignment of excepted articles of a declared value of more than Rs. 300/- and on which the sender elects to pay the percentage charges, can be booked only at railway risk rate.

Q: 12. This railway does not agree with the view suggested herein that railways should accept goods for transport at railway risk rates only, but feels that, the trader should be given the option of both rates as suggested in answer to Q: 8.

Q: 13. This railway is not in favour of any relaxation in the existing packing conditions laid down for dangerous goods.

Q: 14. The present conditions are satisfactory.

Q: 15. Special condition "S/29" as defined in the Indian Railway Conference Association Goods Tariff No. 29 may be made applicable to grains and pulses also.

Q: 16. Although the immediate necessity for an overall extension of the existing compulsory packing conditions does not appear necessary, the desirability of declaring the undernoted packing conditions as compulsory to the respective commodities shown against them may be examined:—

Packing condition as appearing in the Indian Railway Conference Association Goods Tariff No. 29.	Name of Commodity.
P/4	Tamarind.
P/7	Fruits dried, Scented seeds, Cardamoms.
P/18	Carpets, Rugs.
P/22	Arms, Ivory Articles, Leather Goods, Photographic Chemicals, Films, Perfumery, Scents.
P/23A	Cigarettes.

Q: 17. (a) Provision of warehouse facilities for storage of goods prior to despatch or after delivery will, not only help the traders but will also contribute to quick release and turn round of wagons. This railway is not aware of any such schemes. However it may be stated that warehouse facilities are being afforded at this station on this railway.

(b) The desirability of taking up such a scheme preferably by the Railways may be examined.

Q: 18. (a) This railway favours the continuance of the provision.

(b) The change referred to herein is not advocated.

Q: 19. Detention of wagons at station yards for periods more than what is absolutely necessary should be avoided. The speed of goods trains may be increased especially at "suspected" areas. There should be wide propaganda at intervals to make the public realise that the railways are a national asset and to seek their cooperation to ensure safety of the goods entrusted to the railways.

Q: 20.

	Claims paid 1954-'55.	Aproximate Additional amount.
	Rs.	Rs.
Running Train Thefts.	4,280	2,000
Other Causes.	1,750	800

The incidence of running train thefts is comparitively high in respect of Iron materials booked in open wagons to this station.

Q: 21. None.

Ministry of Food & Agriculture,

(Directorate General of Food)

New Delhi.

PART I-A

Q: 1. The rail freight for various kinds of food grains *viz.* Rice, Wheat, Bajra, Barley, Maize, Gram etc. is charged as under:—

(i) In smalls at railway risk-Class I.

(ii) In wagon load at owner's risk with minimum weight for charge for 500 maunds per B.G. wagon and 300 maunds per M.G. wagon. -WL/D

The basis for class I and WL/D schedule rates (previous and revised) is given below:—

(i) For Class I (smalls) Rate .54 pie per maund per mile for first 300 miles.
+ .45 pie per maund per mile for next 300 miles.
+ .34 pie per maund per mile for distances beyond.

(ii) W L/D (prior to 1-4-55)	·38 pie per maund per mile for next 300 miles.	+	·26 pie per maund per mile for next 300 miles.
	+ ·28 pie per maund per mile for next 300 miles.	+	·17 pie per maund per mile for distances beyond. (subject to a maximum of Rs. 1-13-0 per md.)
	+ ·18 pie per maund per mile for distances beyond.		
WL/D (from 1-4-55)	.38 pie per maund per mile for first 300 miles.		

Basis of standard telescopic wagon-load scales is as under :—

Wagon-load scale	Basis of standard telescopic wagonload scales. pie per maund per mile.			Maximum rate per md. exclusive of terminals, transhipment and other extra charges which should be added. Rs.	As.	Ps.
W.L/A	.25/100 miles plus	.20/300 miles plus	.15 for distances beyond	...	...	...
W.L/AR	.30/100 ,,	.25/300 ,,	.20 ,,	...	...	...
W.L/B	.48/100 ,,	.32/300 ,,	.23 ,,	...	..	...
W.L/BR	.48/100 ,,	.30/300 ,,	.20 ,,	1	14	0
W L/C	.34/150 ,,	.31/150 ,,	.17 ,,	...	...	...
W.L/CQ	.36/150 ,,	.33/150 ,,	.18 ,,	...	...	...
W.L/CR	.41/150 ,,	.38/150 ,,	.24 ,,	...	...	...
W.L/D	.38/300 ,,	.26/300 ,,	.17 ,,	1	13	0
W.L/E	.43/300 ,,	.21/300 ,,	.15 ,,	...	...	...
W.L/F	.43/300 ,,	.32/300 ,,	.21 ,,	...	...	...
W.L/G	.48/300 ,,	.26/300 ,,	.19 ,,	...	...	...
W.L/H	.48/300 ,,	.35/300 ,,	.23 ,,	...	...	...
W.L/I	.43/300 ,,	.20/300 ,,	.15 ,,	...	...	...

A comparative statement (Appendix 'A') showing the existing wagon load rates for grains between certain pairs of selected stations as compared with the wagon load rates for other commodities viz. Organic manures, chemical manures, Divisions 'A' and 'B', various kinds of ores, grass dry etc. is enclosed for reference. Another statement (Appendix B) showing comparative rates for various commodities chargeable at different wagon scale rates between distance 75 to 2000 miles is also enclosed for perusal.

It will be observed that the existing rates for foodgrains in force from 1-4-55 though slightly higher for distances upto 600 miles compare favourably and in some cases are rather low for distances over 600 miles as compared with freight rates for other commodities. Besides, a ceiling of Rs. 1-13-0 per maund has been fixed in the case of foodgrains which implies that there is no additional charge for this traffic for any distance beyond 1500 miles.

In the circumstances there appears to be no case for further reduction in rates for foodgrains for distances beyond 600 miles. There may, however, be some justification for reduction in rates for short-lead traffic i.e. in the first and second leg of the WL/D schedule upto 600 miles, provided it can be established that there is some hold up of traffic in food grains due to high incidence of rail freight. It is for the State Governments to quote instances where they are experiencing hardship and require some relief, as a copy of the questionnaire has also been sent to them.

Q: 4. It is recommended that the present maximum rate fixed for two wagon-load scales *viz.*, foodgrains (WL/D) and manures (WL/BR) be allowed to continue.

Q: 5. It is felt that the food grains should be exempted from the levy of transhipment charge for break of gauge.

Q: 6 If the present distance unit for charge of one mile is raised say to...miles, it is obvious, basis for charge will have to be enhanced similarly. The distance represented by the fraction of the new unit will, however, be charged as for the new proposed unit. For instance, if the unit of charge is fixed as five miles, the basis of the first leg of class I will have to be fixed at 0.54×5=2.70 pie per maund per mile and so on. Any fraction less than five miles will also be charged at the rate of 2.70 pies per maund. The incidence of this charge on long distance traffic will of course be quite inappreciable. On short distance traffic, however it would be much higher and would not be justified even on the ground for which it sought to be imposed.

Q: 7. The suggestion if agreed to, would seriously affect the long distance traffic as there would be great demand for short distance traffic and naturally availabilities of supplies of wagons for long distance traffic would be less. It will not be a desirable feature.

For detailed statements referred to, please see comments against Q: 1 of Part I-A.

Q: 12. The minimum charge of Rs. 1/12/- per ton on the carrying capacity of the wagon used is just to cover the operational cost for

short distance traffic and it is not possible for the Railways to agree to the suggestion made.

Q: 14. In actual working there are hardly any cases where consignments weighing seven seers or below are handled for despatch by goods train for fear of loss. Generally these are carried by passenger trains. The minimum weight for small consignment to be carried by goods train should be at least 20 seers.

Q: 16. It is recommended that a lower freight rate for quantities loaded in excess of the minimum weight per wagon "W" condition be fixed for foodgrains, fertilisers etc, to encourage loading upto the carrying capacity of the wagons used.

Q: 17. Introduction of train load rates to encourage movement in block loads is recommended to speed up movement, but to what extent this concession would be availed of, we cannot say as bulk receipts at destinations tend to lower the prevailing market prices. It may be possible to make up block loads of 40 to 50 wagons from three to four contiguous stations in the producing areas to a particular destination or to three or four contiguous stations in the receiving areas provided different consignors are permitted to club their consignments chargeable at the same class rate or wagon scales rates.

Q: 18. There should be no excess charge for carriage by special express goods service. It is the responsibility of the Railways to transport goods as expeditiously as possible.

By cutting down delays in transit the Railways will to a great extent save huge sums paid as compensation on account of thefts and pilferage on route.

Q: 19. The charges for the use of lifting heavy consignments over the Northern Railway are as under:—

(1) ***Fixed Cranes:*** Rs. 18/- for the 1st 3 hours or part thereof, and Rs. 4/- per hour or part of an hour thereafter.

(2) ***Travelling Cranes with a lifting capacity upto 10 tons:*** Rs. 60/- for the 1st 3 hours or part thereof, and Rs. 6/- per hour or part of an hour thereafter, subject to a maximum charge of Rs. 90/- per day.

(3) ***Travelling cranes with lifting capacity of over 10 tons and upto 20 tons.*** Rs. 90/- for the 1st 3 hours or part thereof, and Rs. 6/- per hour or part of an hour thereafter subject to a maximum charge of Rs 120/- per day.

(4) ***Travelling cranes with a lifting capacity of over 20 tons:—***

	Steam travelling cranes.		
	30 tons.	35 tons.	65 tons.
For the 1st 3 hours or part thereof.	Rs. 110/-	Rs. 135/-	Rs. 220/-
Additional charge per hour or part of an hour thereafter.	Rs. 8/-	Rs. 9/-	Rs. 10/-
Maximum charge per day.	Rs. 150/-	Rs. 180/-	Rs. 300/-

In addition, if the crane is brought from another station a haulage charge of Re. -/6/- per mile is levied for the distance from and to the station from which the crane is brought (*i e.* Re. -/12/- per mile both for outward and return journey to and from the station from which the crane is hauled).

The exact basis on which the crane charges have been worked out are not available. These cover the operational cost of the crane including the pay and allowances etc., of the crew and fuel etc. They do appear on the high side and some reduction in these charges is really called for.

Obviously it is not fair to recover the demurrage charges on wagons awaiting loading or unloading of heavy consignments till the crane arrives at the station. It is recommended that if the consignee gives an advance intimation to the Station Master of the receiving station of the arrival of the heavy consignment requiring the use of a crane and gives a requisition for the same, no demurrage charges should be recovered in such cases pending the arrival of crane.

At important stations where heavy consignments are generally handled fixed cranes of sufficient lifting capacity be installed to avoid—

(i) unnecessary haulage charges from other stations; and

(ii) detention to wagons.

Q: 20. We may repeat the public demand for the following items at concessional rates:—

(a) Transport of livestock including Poultry to the Regional, State and All India Shows by fast trains, when duly certified by the State Director of Animal Husbandry concerned or the Officer duly authorised by him.

(b) Transport of old and useless cattle for concentration in the Gosands established or financed by Government, by goods train.

(c) Transport of dry cows and buffalos from large towns like Bombay, Calcutta and Madras to the home track of the respective breeds with a view to salvage them.

Besides, the Railway authorities may also consider the improvement of the conditions under which the Livestock and Poultry have to be transported by rail and also provide refrigerated vans for the transport of perishable animal products like milk, meat, fish, milk products, eggs, etc. on principal routes.

Q: 24. The raw jute is at present classified as 7th class and jute manufactured 8th class Railway risk. The basis for charge for 7th and 8th classes are as under:—

7th Class.		.86	pie	per maund	per mile	for first 300 miles.
	+	.73	,,	,,	,,	for next 300 miles.
	+	.58	,,	,,	,,	beyond.
8th Class.		.92	,,	,,	,,	for first 300 miles.
	+	.78	,,	,,	,,	for next 300 miles.
	+	.62	,,	,,	,,	beyond.

There seems some justification in reducing the rail freight for raw jute or for introduction of station to station rates where the traffic justifies. Perhaps the jute mill owners who have also been addressed to by the Freight Structure Enquiry Committee will represent their case with full details.

Q: 26. Arecanut seedlings by rail and also all horticultural seeds and seedlings should be charged quarter parcel rates.

Q: 36. Railways are already endeavouring their best to look into the convenience of the passengers and instructions already exist on the railways for careful handling of traffic whether booked at owners risk or at Railway risk.

Q: 40. Comments of this Ministry on the reply of the Research Institute:-

(a) Quick transport of timber from the above yards to the places of destination will reduce the losses considerably.

(b) The proposal seems reasonable and is supported.

Q: 47. To facilitate movements of smalls railways have already allowed the facility of clubbing of consignments to permit them to avail of lower wagon schedule rates.

PART II.

Q: 15. Generally speaking this is a question which has to be replied to by the Railways. We are however, interested in the special packing conditions imposed by the Railway Board with regard to the movement of foodgrains.

In August, 1951 the Railways imposed a special condition 'S/29' for carriage of consignments of grains and pulses and sugar when in wagon loads as under:—

> "S/29 consignments when in wagon loads should invariably be protected at the doors with dunnage materials by senders. The dunnage materials will consist of six bags, three on each side of the flap doors and loaded six inches away. The bags should be stuffed with suitable materials such as Cinder Ash, Paddy Husk, Straw or Dry Clay. These bags will be carried free of charge by the Railway to the destination station. Remarks will be entered by the sender on the Forwarding Note to the effect that the special condition has been complied with and these remarks should be reproduced at the time of the preparation of the Railway Receipts".

The provision of 'S/29' condition has apparently been necessitated by the fact that wagons are either of defective design or improperly maintained which leaves crevices even when the wagon doors and flap doors are closed in accordance with the normal practice. Any measure, designed to prevent losses in transit arising out of the defects in wagons, it is felt, should be taken by the Railway Administration.

It is the duty of the Railway to provide wagons free from such defects and if it fails to do so and in consequence if pilferage of goods occurs, the Railways should be liable since loss in such cases would be deemed to be due to the negligence of the Railway Administration on the ground that defective wagons are vulnerable to pilferage.

The special condition 'S/29' for the provision of dunnage of 6 bags in each wagon is primarily to prevent loss from a wagon by stabbing through flap doors and cannot by any stretch of imagination termed strictly as a packing condition. Packing in fact represents any covering to a main article itself which is tendered for despatch to the Railways for the protection of which 'P/6' has already been prescribed by the Railway. The particular kind of obligation imposed on senders through 'S/29' does not exist among so many other packing and special conditions enforced on the Railways in as much as the provision of 6 bags dunnage is meant to be stacked near the doors of the wagons six inches away from the real goods in bags/packages themselves.

While it may be admitted that it is open to a Railway Administration to impose conditions such as the one contained in 'S/29' as a protective measure to goods in their possession in transit as bailees, nevertheless the fact remains that the Railways cannot escape its statutory obligation by mere formulation of working rules which have not been expressly authorised by the Railway Act.

While the Railways can perhaps legally impose conditions under the Railways Act to save themselves from the liability arising purely from the inherent voice of the commodity tendered for rail transport over which they have no control surely they cannot take any shelter under the provision of the Law to impose special conditions like 'S/29' simply because to cover the cases of their own acts of avoidable ommission and commission during the time the goods remain in their custody (specially when the already existing packing condition 'p/6' provides ample protective measures).

The additional imposition of special condition 'S/29' would therefore tantamount to change in the incidence of Railways liability as bailee thereby contemplating escape from the liability for their failure firstly to supply sound wagons (as distinguished from ill-fitted flap doors wagons) and secondly saving themselves for their laches in protecting goods from the ravages of thieves while the goods are in their custody.

It is therefore suggested that the condition 'S/29' applicable to the carriage of consignments of grains and pulses when in wagon loads be withdrawn.

Q: 17 (a & b) There is a scheme under the consideration of the Ministry of Food & Agriculture to establish licensed warehouses at all important centres of trade. During the Second Five Year Plan period it is expected that about 350 warehouses will be established. The preliminary steps, for selection of centres for the location of warehouses and for the selection of commodities etc., are being taken. The Scheme will come into operation as soon as the Bill for the establishment of the National Co-operative Development and Warehousing Board, is passed In the Parliament and the Board is set up.

Q: 18. Under the provision of Section 72 of the Indian Railways Act read with section 151, 152 and 161 of the Indian Contract Act

the liability of the Railways is that of bailee i. e., if the Railways have taken the care that a prudent man would take of his own goods of the same bulk and in similar circumstances, the Railways will not be liable for the loss, damage, deterioration etc. arising out of the consignments. Lately the Railway's liability in respect of defectively packed goods or goods carried or being carried at owners risk rates has been extended to cover cases of negligence in addition to cases of misconduct as a result of the Indian Railways (Amendment Act of 1949). Item VII of the questionnaire refers.

The present provision of the Railway Act while it gives suffcient protection to the Railways in case of losses, is detrimental to the interest of the trade. The goods when tendered to the Railways for carriage from one place to another remain in their custody and it is rather difficult for the owners to establish negligence or misconduct on their part in case of loss or damage to obtain compensation. It is a matter of common knowledge that despite security measures taken by the Railways the losses due to thefts, pilferage etc. do occur in the goods sheds, transit sheds etc. which are all vulnerable, either through the negligence or the connivance of the Railway staff. It is, therefore, fair that the Railway's liability instead of being that of a bailee should be that of a common carrier which in fact, would make the Railways insurer of goods carried by them. The Railways will then have to tighten up their security measures still further and the trade will be saved from the heavy losses that are incurred by them from time to time.

Ministry of Agriculture,

(Manures & Fertiliser Section)

New Delhi.

PART I-A.

Q: 1 (a). It seems that the basic and essential condition for the industrial development of the country namely that raw materials should be transported as cheaply as possible, is recognised in laying down the freight structure e.g., coal is transported, of whatever type or variety, at special cheap rates. As is always defined in all standard books on Economics, Agriculture is also an industry, more particularly so in the case of India which still predominently an agricultural country. Seeds, fertilisers and irrigation facilities are essential raw materials for the healthy and scientific growth of this industry. Whereas seeds are transported at cheaper rates (WL/F when transported in wagon loads), chemical fertilisers are transported at higher rates, though in value the latter are cheaper than the former in many cases. Even the finished product in the case of this industry namely foodgrains of all types are transported cheaper (at WL/D when transported in wagon loads) as compared to the raw material chemical fertilisers. It might be argued that whereas seeds are essential for raising crops, not so the fertilisers, as crops can be and are being raised even without the application of chemical fertilisers. This will not however give a true picture. The comparison should in this case be made between the yields from fertilised soils and from non-fertilised soils. The fertilised soils give ***additional*** yeilds than non-fertilised soils; and this extra is due to chemical fertilisers. It is not a little due to the application of fertilisers that we were able to achieve self-sufficiency in food grains. The prospects of bringing additional lands under the plough is diminishing day by day and if the needs of a growing population are to be met satisfactorily, intensive cultivation methods have to be adopted in yet larger scales. The use of fertilisers is one such method. Hence the importance of this raw material in the agricultural industry is no less than any other raw material in any other industry e. g. coal for textile mills. Accordingly there is absolutely no justification for not treating chemical fertilisers differently from coal as their application is for increasing food production which is a basic necsssity

But even as we move towards self-sufficiency and surplus production, the prices of agricultural commodities are steadily falling. Hence there is the necessity of making fertilisers more and more cheaply available to cultivators as it would otherwise tend to become uneconomic. Reduction in railway freights is one of the steps of securing in a lower price.

Q: 3 (i) There are no particular comments to offer on this item except as a lay-man. It is observed that class rates go on steadily rising starting from class I and ending at class XV. In the case of wagon load rates, however, this sort of sliding is missing with the result that one cannot be definite that WL/H would be cheaper than WL/I. It is further noticed that whereas WL/AR is dearer than WL/A, WL/AR is cheaper than WL/B. Accordingly it is suggested that some sort of progressive rise or decline should also be introduced in the case of wagon loads rates.

Q: 4. The system of not charging further beyond a certain distance should be continued in cases of fertilisers. If possible it would be desirable to reduce the maximum mileage from the existing level of 1,500 miles to somewhere about 1,200 miles.

Q: 5. (i) ***Terminal charge***: A reference to Annexure II seems to indicate that in cases where it is the responsibility of the railways to load and unload material, for whatever reasons, the terminal charge is 8 pies per maund at each end, whereas where loading and unloading is done by owner for whatever reasons, the same is 6 pies per maund at each end. The following points arise in this connection, though both of them lead to the same conclusion :—

(a) These terminal charges apparently include platform shed charges etc., which are constant irrespective of whichever agency loads or unloads. The difference in the two cases is possibly due to the labour charges for loading and unloading that have to be borne by one party or the other. The difference is only 2 pies per maund at each of the ends. The charge of this small amount of 2 pies per maund at each end on the other hand throws a great responsibility on the railway administration and not un-often also results in delays in loading and unloading, for which evidently no demurage can be realised. Industrialisation of the country, on the other hand, demands that rolling capacity should not be unnecessarily locked up and wasted; hence the need for expeditious loading and unloading operations. But the reduction of only 2 pies per maund at each end does not seem to afford sufficient attraction for the owner to himself undertake these operations. The owners may be afforded sufficient attraction to themselves to undertake these. It is felt that a margin of 4 pies per maund at each end instead of 2 pies per maund at each end will afford a very attractive margin.

(b) At the rate of 6 pies of terminal charge at each end per maund, the total charge at both the ends will come to about Rs. 1/12/- per ton. As the usual capacity of a broad-gauge wagon is 20 tons, this amounts to about Rs. 35/- per wagon. This seems to be rather high, particularly when the loading and unloading operations has also to be performed by the owner. At 4 pies per maund at each end, this will come to about Rs. 28/11/- per wagon. This reduction is bound to be appreciated by this industry.

So far as the question of loss of revenue to the railways by this suggested reduction is concerned, it seems that it will be more theoretical than real, because:—

(1) either this will induce speedy loading and unloading operation on the part of the owner, in which case the wagon would be requisitioned later or released earlier enabling the railway administration to utilise them to a larger extent than otherwise and earn more on them; or

(2) if there is undue delay in loading and unloading on the part of the owner, he will be required to pay demurrages, which will compensate for loss, if any.

It may also be stated here that it seems that when loading and unloading is done by the owner, the railway receipt issued by the Railway authorities bear the remarks "said to contain". This has often led to lengthy correspondence when shortages occurred on reaching the material at destination and nobody accepted responsibility for the same. It is suggested that something should be done to remedy this state of affairs. In this connection it seems that if railways are unable to accept finally the declared weight they should at least be able to indicate the number of bags loaded and say that so many bags which were put are said to weigh so much wherever it is not possible to indicate the actual weight. This will, it is hoped, mitigate a good deal of correspondence and lead to fixing responsibility somewhere.

(ii & iii) ***Short distance charge; and Transhipments charges:*** —

So far as chemical fertilisers are concerned these should be same as for coal for reasons already explained in the case of 1 (i).

Q: 9. So far as chemical fertilisers are concerned, it is agreed that grouping together is both convenient and desirable. It is, however felt that different fertilisers *e. g.* sulphate of ammonia (and superphosphate), urea and ammonium-sulphate-nitrate should not be classified differently and grouped with unrelated commodities, atlaest when meant for ***use as fertilising agents*** at the other end. At present sulphate of ammonia and superphosphate are classified for charge at W L/B R rate, ammonium sulphate nitrate for charge at (Dn. A), W L/H Schedule rate and urea for charge at Class XII rate (and this is transported only at railway risk). This is highly unfair to the agriculturists, as the end use of each is the same. It might be stated that urea and ammonium-sulphate-nitrate are costlier than sulphate of ammonia. But the following points arise in this regard:—

(a) These fertilisers (*i. e.* urea and ammonium-sulphate-nitrate) are more concentrated than sulphate of ammonia and hence their cost of production is also more. No doubt there is economy in the cost of production on prorata basis of fertilising substance but if this economy is off-set by higher railway freight and the cultivator is left with no economy in end use, he will naturally prefer to go on as in the past and will not take to the use of new types of fertilisers, even though they may be slightly more beneficial to the soil. All the economically advanced countries are increasingly taking to the use of new types of chemical fertilisers. The same should also be encouraged in India; and for that transport of all the chemical fertilisers, when meant for use as fertilising agents for the soils, should be done at the same uniform freight, so as to allow some economy to be enjoyed by the cultivator also. In this connection it is needless to again emphasise the necessity of making fertilisers cheaply available to the cultivators.

(b) Sulphate of ammonia and superphosphate are charged at the same freight, though the latter is much cheaper than the former. No special conession is admissible at present for the transport of superphosphate.

It might not be out of place to state here that bringing together the transportation charges for all chemical fertilisers (more concentrated or less concentrated) will encourage the use of more concentrated ones thereby placing lesser burden on the transporting capacity of the railways and the rolling stock thus released can be more profitably used for transporting other more remunerative articles.

As would seen, the above arguments have been advanced for cases while transporting more concentrated chemical fertilisers for the end utilisation as fertilising agents and *not* when meant to be transported for industrial use, for which it is either for the industry or the Commerce & Industry Ministry to prepare a case. It is understood that on railways in the Southern Zone, in certain cases specially reduced station-to-station rates have been sanctioned for transporting urea, *provided* it is certified that the end use is fertilisation. Hence it is felt that in case it is so considered necessary, this condition may be made generally applicable in the case of movement of all chemical fertilisers, all of which should be grouped together for agricultural uses.

Q: 10. Attention in this connection is invited to the remarks against item 9, wherein it has been emphasised that all meterials used as fertilising agents, atleast when they are meant for end use as fertilisers and manures, should be grouped under one class. There are no further remarks to offer on this item.

Q: 11 & 12. It has been emphasised under item 1 that for the proper development of the agricultural industry in the country, fertiliser materials should be transported by railways on specially reduced rates. The minimum charge should bear proper relationship with that special charge.

Q: 13 (b). Attention is invited to the remarks made against item 1. As a special case, the minimum charge on fertilisers materials should be as small as possible.

Q: 14. No remarks, as it is felt that the smallest consignments of fertilisers would consist of a bag of 1 cwt. In fact fertiliser consignments in less than wagon loads are sent only either to backward areas and when materials are intended for demonstration purposes. In the former case, a special concession is desired so that backward areas may be suitably developed so far as agriculture is concerned. In the latter case, the entire expenditure is borne by Central Government and the material is supplied free of cost and hence special concession is justified. Accordingly even when fertilisers are transported in less than wagon loads, they should be charged special reduced rates.

Q: 15. It has been pleaded that fertilisers materials should be transported at the minimum possible rates. If consignments in 'smalls' of whatever commodities are charged at some average uniform rate, it is felt that average would be more than the special rate that might be applicable for fertilisers materials. As such, this Ministry does not agree with this suggestion so far as fertilisers materials are concerned.

Q: 16. (i) & (ii) It seems highly desirable that the carrying capacity of the wagons is used to the maximum possible extent and that the capacity is not wasted. So far as fertiliser materials are concerned, these suggestions are supported.

(iii) It seems that fertiliser materials (except perhaps for dicalcium phospate) are already classified somewhere or other. So far as dicalcium phosphate is concerned, this Ministry is already of the view that all materials meant for end use as a fertilising agent should be classified together. Hence this item would not be applicable to fertilisers materials.

Q: 17. This Ministry is operating a Central Fertilisers Pool under which nitrogenous fertilisers are supplied to the State Governments etc. The State Governments distribute the same to the cultivators. The bulk of the production of the fertiliser (Sulphate of of ammonia) is at the State owned factory at Sindri. In the past quite often we have despatched the fertiliser to the States in block trains to meet emergent demand or demands, despatch in respect of which was held up for want of wagons or restrictions imposed by the railways. In these circumstances it is felt that running of block trains should be introduced as a regular feature and specially reduced rates of freight should be sanctioned for such movements as this will be conducive to utilising the rolling stock to the maximum capacity and avoiding dislocation of other normal traffiic.

The problem of fertilisers is, however, a little different. The demand at the time of sowing is seasonal. This Ministry is of the view, however, that the State Governments should lift normal stocks regularly including the lean period. They will, however, do this only if there is inducement for them to lift and move stocks during lean months and in block trains. Accordingly it is suggested that in the case of fertilisers, reduced rates may be introduced for movement in blocks only during lean months *i.e.* slight further reduction (the quantum of which should be such as may not be set off by expenditure on storage charges) may be given if movement is made during lean months *i.e.*, November to March. During the remaining period, there will be no objection if movement in block trains is also charged at the usual wagon load rates. It has already been emphasised that as a normal feature, fertiliser materials should be transported at specially reduced rates.

As for safe-guards against misuse of the concession as well as dislocation to other traffic, it is suggested that concessional freight rates for movement of fertilisers in blocks may be applicable only when either some Government (State or Central) is the consignee or when movement is sponsored by some Government agency. This will avoid dumping of material at any particular time by any particular party.

Q: 21. (a and b). Such measures, it is felt, always lead to monopoly which is generally not in the interest of the general consumer. If railway freights are so adjusted as to divert the traffic from railways to other modes of transport, the result will be that immediately the authorities or parties who control alternative modes of transport will raise their charges, but still keeping the same very slightly lower than the charge imposed by the railways. This in itself will

be against the interests of the general consumers, but beyond that after some time, if the general public still prefers to use the railway transporting system, the railways will be forced to raise further charge. This will again provide an opportunity to the owners of alternative modes of transport to raise their charges. In this manner it will set in motion a vicious circle, which it will become difficult to break. In a progressive economy, it is felt that a fair competition should be allowed to have its own course.

(c) This also does not seem to be desirable for the reasons explained in regard to (a) and (b) above. Besides in regard to transportation by steamers etc. what matters is not only the charges made by the steamer agents, but also the other charges *e.g.* loading and unloading, clearing and forwarding etc.

Actually the question was taken up with the Ministry of Transport for receiving sulphate of ammonia from Sindri to Vizag and ports in Madras State. It was found that it costs Rs. 15/- per ton more than that by all rail freight route which is Rs. 47/- per ton. Moreover there are losses due to acidic action which will be increased by use of hooks and resulting shortages. It might be possible to utilise country crafts during the off monsoon periods to transport from Bombay by sea to Coorg and nearby places but this has limited use as fertilisers are in great demand during monsoon or near monsoon periods.

Q: 23. The importance of fertilisers in the agricultural industry of the country has already been stressed in the case of item 1. This is one of the essential commodities for sustaining the economy of the country. It is also felt that the present freight rates on these is rather disproportionate. Accordingly the pooling of freight on these is favoured. In fact, it may be stated, that this Ministry is at present supplying sulphate of ammonia to all the State throughout the country at a uniform price, which is inclusive of railway freight on an average basis. Thus as uniform a price for fertilisers throughout the country as possible is ensured. Experience has proved that this is conducive to increasing the consumption of fertilicers in the country.

Although the present pooling of freight is done on an All-India basis actually it seems that a pooling on a zonal basis would be more justified for those States where the industry is actually located. If pooling is done on a regional basis it seems, that it will not be desirable to exclude from it the traffic moving over minimum distances, because this will have the effect of raising the average which may not be liked and appreciated on all hands. Efforts should actually be made to keep the average as low as possible, so that some sort of uniformity in the retail prices may be attained within the zone.

As for the agency who may operate the pooling of freights, it seems desirable that it would be controlled by some Government agency and not by the trade. In the latter case, it is felt that the over-head expenses in their case would be rather high, which unfavourably reflect themselves in the averages. This should be the normal function of the Government and over-head charges should not be added into the pooled freights. As for details of working of the pooling, these may be worked out for different commodities by the Railway authorities in consultation with the other Ministries concerned.

Q: 25. As stated against item 23, this, it is felt, should be worked by some Government agency.

Q: 26. Attention is invited to reply to item 1 wherein the importance of fertilisers in the agricultural industry has been emphasised.

Q: 28. Suggestions have often been received for reduction in the freight rates on cowdung and gypsum (when required to be transported for reclamation of alkaline lands). Except for a short distance on Western Railway in Bombay where also no perceptible concession is offered, the requests have not yet been acceded to. In this connection, copies of the following are enclosed for reference as Appendix 'A'.

1. Copy of letter No. MNR 1253/65613-G. dated 30-12-53, D.O. No. MNR 1,253/71,815G. dated 4-1-54, and letter No. MNR 1253/1290/-H, dated 16-2-55 from the Government of Bombay in regard to cowdung:

2. Petitions dated 13-11-53 from the Agriculturists of Anand and dated 18-1-54 from the agriculturists of Taluka. Petlad regarding cowdung.

3. Copy of letters No. ER 151/1953 dated 5-5-53, No. A 3488/XIIA-10(10)/52/53, dated 3-6-53 and No. 3261/XIIA- 10 (10)/53 dated 2-6-55 (with enclosures) from the Government of U. P. in regard to gypsum: and

4. Copy of letters dated 26-11-55 and No. CG/26/55 dated 14-12-55 from Shri Bishan Singh, Chairman, State Board of Agri: U. P. (with enclosures) and Saket Farming Secretary V. & P. O. Koncha, District Faizabad, U. P. in regard to gypsum

It will be seen from the Bombay Government's letter that not only that a huge quantity of cowdung goes waste in the Bombay city, but that its disposal quite often presents a problem. Most part of this national wealth goes waste. It is, therefore, strongly recommended that special reduced rates for the transport of cowdung should be generally sanctioned. At least specially reduced rates should be sanctioned within a reasonable distance within which the entire quantity of cowdung produced at any place *e.g.* Bombay and Calcutta and other cities can be expected to be wholly consumed in the vicinities without allowing any quantity to go waste.

In regard to gypsum, the position is that this material is mostly mined in Rajasthan and Saurashtra. This high grade gypsum is mostly used for industrial purposes *e.g.* production of sulphate of ammonia. Whereas reduction in the freight rates on high-grade gypsum is warranted on its own merits when meant for production of fertilisers to make them cheaply available to the cultivators, the case of reduction in the freight rates on low-grade gypsum stands on its own merits. As will be seen from the U. P. Government's letter, this low-grade gypsum is available at mine heads at about Rs. 6 to 8/- per ton but the railway freight to places in U.P., on an average amounts to Rs. 30/- per ton. On the face of it, it is too high. Moreover, as this material is used for reclaiming alkaline lands, efforts should be made to see that the

cost of reclamation is kept as low as possible. If reclamation is made cheaper, naturally more land will come under the plough and more agricultural commodities will be produced. This will always be better for the economy of the country Besides this, if freight rate on low-grade gypsum is *very substantially* reduced, this will provide a ready market for low-grade gypsum which is not utilised for industrial purposes. Thus this will provide economic activity at mining places also and put a stop to some of the national waste or mal-practice of mixing this with high-grade gypsum.

In the circumstances, very substantial reduction in the freight rates on low-grade gypsum is strongly recommended.

In this connection it will of course, be reasonable to ensure that the low-grade gypsum which is transported at low rates is actually used for reclamation purposes. To ensure this, it is felt that the special low rate should apply when either the consignee is a Government agency or the movement is sponsored by a State or Central Government certifying that the end use of this material will be reclamation of agricultural land.

Q: 34. This suggestion is not favoured as it will make fertilisers costlier on stations to be served by the new lines.

Q: 39. It need hardly be re-emphasised that fertilisers materials should be transported at specially reduced rates. It has also already been suggested that no freight should be charged when fertiliser materials are transported on distances beyond 1,200 miles. Pooling of freight on fertiliser materials (preferably on the basis of zonal system) is also favoured. Failing pooling of freight on fertiliser materials, it is felt that in no cases, freight on fertilisers should exceed Rs. 50/- per ton irrespective of the distance over which they are moved. It might, however, be mentioned that if the installation of new units for the production of fertilisers goes according to *tentative plans* occasions will hardly arise after the conclusion of the II Plan period for fertiliser materials to move over distances beyond 1,200 miles or where the freight exceeds Rs. 50/- per ton.

Q: 41. The present position is that fertilisers are imported from foreign countries. It is hoped that by the end of Second Five Year Plan, the country will become self-sufficient in fertilisers. Hence at present there is no export angle. If and when, however, India enters into the export market for fertilisers, the freight structure should be so flexible that the country can stand the competition with the already industrially advanced countries.

Q: 43. No comments except that on the other hand it is felt that there is clear case for reduction in the freight rates on fertiliser materials than the rates now obtaining.

Q: 45. On the whole, it may be said that for paddy cultivation, at least, on the basis of usually recommended doses of nitrogen and P 205 per acre in the proportion of 2 N:1 P 205, 100 lbs. of sulphate of ammonia and about 60 lbs. of super phosphate is required per acre. This gives him an additional yield of about 400 lbs. of paddy. Taking the current prices of paddy into consideration, the margin of profitability is very meagre so far as fertilisers is concerned, also taking into consideration the labour etc., charges. In this connection, extracts from the proceedings of a meeting of the super Phosphate manufacturers held on 20th October, 1955 is also enclosed.

Item 3 (c) *Utilisation of Subsidy*. The Association stresses the importance of subsidy on two grounds :—

(a) Where more crops have to be grown to meet national needs, without reference to cost of production.

(b) Where cultivator has to be educated in the use and value of fertilisers.

The Association, therefore, suggests two different types of subsidies :—

(a) Uniform flat subsidy for all areas, with a view to help the cultivator in general.

(b) Special subsidy for those areas which are considered backward to offer inducement to use of fertilisers.

The Association would stress the importance of paying this subsidy to all cultivators in India, irrespective of whether the State is willing to share or not. Therefore, the Association urges that subsidy should be granted at the source, namely the factory, and should be paid on all despatches.

As a special precaution, the Government may grant such subsidy only to such factories as have accepted the price structure for Superphosphate laid down by the Government.

The Association stresses the importance of granting subsidy to fertiliser mixtures as it will secure the use of balanced complete fertilisers.

Regarding quantum of subsidy, the Association recommends that subsidy should be linked to current prices of the principal crops to which superphosphate and mixtures are applied, for example, paddy.

The returns from the use of superphosphate in 1954 and 1955 were some what as under :—

1954-Application of 2 cwts. of superphosphate costing about Rs. 22 increased the yield by 2 bags of paddy worth about Rs. 44 *i. e.* Rs. 22 profit.

1955-Application of 2 cwts. of superphosphate costing about Rs. 20 increased the yield by 2 bags of paddy worth Rs. 30 *i. e.* Rs. 10 profit.

On the basis of the experience in 1954, it is felt that if the relationship between the price of superphosphate and of paddy can be kept as in 1954, the desired increase in the use of superphosphate will follow.

This means that the cost of superphosphate to the grower should be about Rs. 150 per ton as shown below :

$$220 \text{ (Delivered price of superphosphate in 1954)} \times \frac{15 \text{ (current paddy price)}}{22 \text{ (Price of paddy in 1954)}}$$

Rs. 150 per ton against current price of about Rs. 200 per ton.

The Association points out that with increased production envisaged in the Second Five-Year-Plan period, the ex-factory price

is likely to come down further, and thereby reducing the quantum of subsidy.

The Association invites the attention of the Government to the subsidy now being paid in countries like U. K. with a view to obtain better usage of fertilisers and also a greater margin of profits for the cultivator.

The Association recommends that District prices may be fixed and minimum stocks be maintained to enable the cultivator to make full use of subsidy, assuring, at the same time, that subsidy reaches the cultivator.

The Railway Board be requested to reduee the rate of freight by 50% on both rock phosphate despatched to superphosphate factories and on superphosphate despatched from the factories.

On an average this will mean a reduction of about Rs 5 per ton on rock phosphate, equivalent to about Rs. 3 per ton on superphosphate, and about Rs 10 per ton on superphosphate, making a total reduction of about Rs. 13 per ton of superphosphate.

Q: 42. As already stated against item 33, there has been a very substantial increase in the consumption and hence in traffic in fertilisers in the post war days. This will be more clear from the following figures of consumption of sulphate of ammonia and superphosphate during the years 1952 to 1955 as compared to the imports/ production thereof in the pre-war years of 1937 and 1938:—

I. Pre-war years :- Imports/Production :-

Year	Ammonium sulphate		Superphosphate	
	Imports tons	Prdn. tons.	Imports tons.	Prdn. tons.
1937	53,260	Not known	7,405	—
1938	—	-do-	6,788	—

II. Post-war years – consumption :—

Year	Ammonium Sulphate (tons)	Superphosphate (tons)
1952	2,76,258%	28,700%
1953	4,26,584%	50,000*
1954	5,50,000*	80,000*
1955	6,00,000*	100,000*

% Actual

* Estimated.

As for direction of movement, upto 1951, only three sources of indigenous supply existed, totally contributing only about 50,000 tons per annum of sulphate of ammonia. These sources were as under:—

1. M/s. Fertilisers & Chemicals (Travancore) Ltd., Alwaye;
2. M/s. Mysore Chemicals & Fertilisers, Belagaula, Mysore; and

3. Four Iron and Steel Works in Bihar producing bye-product sulphate of ammonia.

During the years 1948 to 1951, the consumption of sulphate of ammonia in the country varied between 2 lakh tons and 2·5 lakh tons per annum. Since as stated above, the local production amounted to only about 50,000 tons per annum, the rest of the requirement used to be met from imports made at the main ports of Bombay, Madras and Calcutta. These imports used to be dispersed to the various parts of the country.

On the side of superphosphate, in the postwar period almost the entire demand has been met from indigenous production. A list of the superphosphate manufacturers in the country is enclosed. It will be observed that the superphosphate manufacturing industry is most concentrated in Bombay State and there are only one unit each in Delhi, Hyderabad and Calcutta. On the whole the entire production of the Madras units has thus far been consumed within South India itself, that of Calcutta unit in the neighbouring States, that of Hyderabad unit in its neighbouring States and that of Delhi unit in the States of Puniab, U. P., M. P. and Rajasthan On the other hand, there is more of productian of superphosphate in the Bombay state than is consumed in the neighbouring areas and hence quite often the production there has found its way to Southern India *i. e.* Madras and Andhra States.

It will be observed that in the postwar period, greater traffic has been offered to the railways in regard to fertilisers. There has no doubt been substantial increase in the consumption of fertilisers in the country since the year 1952. This increase is mainly attributed to the following measures adopted by this Ministry.

1. Sanction of short-term loans to the States for the purchase and distribution of fertilisers so far as possible on credit;
2. Subsidy given to the sale of superphosphate (as also on another phosphatic manure *viz.* bonemeal);
3. Propagation of the Japanese method of cultivation which makes it essential to resort to intensive cultivation.
4. Demonstrations arranged through the State Governments to show to the cultivators the usefulness of the use of fertilisers.

Besides the above, the State Governments have been making strenuous efforts by propaganda to increase the use of fertilisers.

On the whole, as stated against item 1, it is felt that if railway freight on fertilisers is reduced, it will give added force to the propaganda being carried on or their use in raising yield per acre from the same land. Particularly in the days of falling prices for foodgrains, if railway freights are not reduced, it will in a way inhibit the still greater use of fertilisers and at some time it may become necessary to otherwise subsidise the sale of fertilisers from general revenues. In fact by the fall in prices of foodgrains last year, the margin of profitability of the cultivators has been very greatly reduced already. Hence a need has already arisen to take some positive steps for not only keeping the use of fertilisers at the level which has been achieved but also to further the tempo of increase in their use.

List of Superphosphate Manufacturers.

1. M/s. Parry and Co. Post Box No. 12, Madras.

2. M/s Fertilisers and Chemicals Travancore Ltd., Travancore, Alwaye.

8. M/s. Mysore Chemicals and Fertilizers Ltd, 1129, Vani Vilas, Road Post Box No. 8. Mysore.

4. M/s. Dharamsi Morarji Chemical Co., 'Prospect Chambers' 317-21, Dr. Dadabhoy Naoroji Road, Fort, Bombay.

5. M/s. Anil Starch Products Ltd.. P. O. Box No. 93, Ahmedabad.

6. M/s. Sonawala Industries Ltd , 137, Seikh Memon Street, Bombay-2.

7. M/s. Western Chemical Industries Goregaon (East) Post, Malad, Bombay.

8. M/s. Eastern Chemicals Co. (India) Rowlee Hill, Wadala, P O. Sion, Bombay.22.

9. M/s. D. C. M. Chemical Works, P. O. Box No. 1211, Najafgarh Road, Delhi.

10. M/s. Hyderabad Fertilizers and Chemicals Ltd., Alladin Buildings, Secunderabad.

11. M/s. Premier Chemical Industries, 314, Dewans' Road, Mysore.

12. M/s. Phosphate Co, Ltd., 14-Netaji Subhas Road, Calcutta.

13. Alembic Chemical Works Co. Ltd., Baroda-3.

14 M/s. Mettur Chemicals and Industries Corporation, Mettur Dam.

Q: 46 & 47. These are strictly speaking not relevant to the case for reduction in the freight rates on fertilisers.

Q: 48 & 49. It is hoped that the Ministries of Production and Commerce and Industry who are respectively concerned with the development of production of nitrogenous and phosphatic fertilisers, would have already furnished information on this item. The targets of consumption of nitrogen and P 205 in the country by the end of 1960—61 have already indicated. On the whole, if is hoped that by that year, it would be possible to meet these total demands from indigenous production by starting new units and expanding the existing units. Regarding distances over which fertilisers would move during the Second Plan period, the development of production is expected to be such that very long movements will be avoided.

Q : 50, to 53. No comments beyond what has been stated against items 48 and 49. It is, however, assumed that the Commerce and Industry and Production Ministries would have given fuller information in these respects.

Q: 54. In regard to fertiliser materials, the basic principle to be followed should be that after addition of freight, these may remain sufficiently economic to the cultivators and he may be attracted to increase their use and not either to stagnate it at the level already achieved or to decline from the level already achieved. For this purpose, the freight structure should be so flexible as to take into consideration the decrease in the price of foodgrains from time to time.

Q: 55 It has already been stated that the different scale rates and wagon-load rates should rise or decline in some logical manner. There are no other suggestions to make.

Q : 44. Technically speaking, fertilisers are now supplied from the Central Fertilisers pool on f. o. r. Station of despatch terms and freight is pre-paid from the pool. On sulphate of ammonia, the pooled freight rate is Rs. 35/- per ton throughout India. It has been possible to keep this pool at this rate because the demand of the maritime States is mostly met from imports made at the nearest port and there is a saving in the freight charged for Sindri material from the neighbouring States. Even at this rate, the quantum of railway freight is 13%, because the ex-factory price for Sindri sulphate of ammonia is only Rs. 270/- per ton and supply to States at any station inclusive of freight is Rs. 315/- per ton The question of further reduction in the ex-factory or ex-port price is already under consideration as it is felt that this price is not fully economic and sufficiently attractive to the cultivators. When reduced, the present quantum of present freight will further rise. This may go upto 15% or more. This is considered to be too high, particularly against the view that feritiliser materials are only raw materials for agricultural industry.

On the side of superphosphate, the sale at present is made directly by the manufacturers. They, it is understood, make supplies both on the basis of f. o. r. station of despatch and f. o. r. destination.

In regard to superphosphate, it may be further observed that there is a wide difference in the price of this as compared to sulphate of ammonia. Generally speaking the present trend of price of superphosphate is Rs. 180/- only per ton f. o. r. station of despatch. In this case, the average railway freight, on percentage basis, would be much more as compared to sulphate of ammonia. There is, however, no objection to placing sulphate of ammonia and superphosphate, and in fact all the fertilisers as has been asserted earlier, in one single category when they are meant for end use as fertilising agents. But from this angle also, there is a clear case that freight on sulphate of ammonia and other more concentrated nitrogenous fertilisers should be so reduced as on the whole to strike a mean between the freights chargeable on nitrogenous and phosphatic fertilisers.

No detailed and comparative information is, however, available in regard to part (c) of this item.

APPENDIX 'A'

Referred to in Reply to Question No. 28.

Copy of letter No. MNR 1253/65618-G., dated the 30th December, 1953 from the Under Secretary to the Government of Bombay, Agriculture & Forests Department to the Secretary to the Government of India, Ministry of Food & Agriculture.

Subject:—Railway Freight rates for cattle dung manures—Reduction in—

For some years past this Government has been operating a scheme for supply of cattle dung manure available at Bombay to Mofussil cultivators on a "no loss, no profit" basis. The present demand for cattle dung from Bombay is only about 15,000 tons per annum whereas the quantities of manure which are available have been estimated at one lakh tons, with addition of about 50,000 tons

every year. The main reason for the small demand is the high railway freight charges. Government can afford to sell the manure at Rs. 4-8-0 per ton f.o.r. Andheri (Bombay). Cultivators can normally afford to purchase it at about Rs. 8/- per ton delivered at their places. With the present railway treight rates, therefore, only the agriculturists near railway stations within a distance of about 100 miles from Andheri can afford to purchase cattle dung manure from Bombay. It will be possible to bring it within the reach of agriculturists within 200 miles of Bombay both along the Western Railway and along the Central Railway. If the freight rates for cattle dung for distances upto 200 miles (for which distance the existing freight rate is about Rs. 5-12-0 per ton) are reduced by about one third. Considering the importance of increased manuring and the desirability of utilising the cattle dung manure available at Bombay, otherwise going waste, it would be reasonable to reduce the railway freight rates for cattle dung manure as stated above. I am, therefore to request you to move the Railway Board to take action accordingly.

Copy of D.O. letter No. MNR 1253/71815.G, dated the 4th January, 1954, from Shri V. Isvaran, Agriculture and Forests Department, Sacretariat, Bombay, to Shri H. M. Patel. I. C. S. Secretary to the Government of India, Ministry of Food and Agriculture (Agriculture), New Delhi.

Please refer to our conversation in Bombay regarding the utilisation of cattle dung manure available in the Bombay Suburban District. I enclose a note giving a brief history of our attempts to utilise the manure for agricultural purposes.

At present there is practically no demand from the agriculturists for the manure, because the fall in the prices of cash crops for which it is mainly used makes it uneconomic to buy this manure at present prices. At present the cost, F. O. R. destination stations, comes to about Rs. 5/- per cartload. The cultivator has also to incur expenditure for its transport from the destination station to his field. At present demand for this manure exists only from two sugar factories one in the Ahmednagar District and the other in Poona District. It is obvious that unless the railway freight is reduced, as suggested in an official letter which is being sent separately, there is little prospect of creating an effective demand for this cattle dung manure. The number of wagons supplied by Railways at present is more than to satisfy the demand received both by the trade and by Government. The Government scheme for supply of cattle dung manure was continued till now mainly because it was thought that the price charged to cultivators would be increased by the trade if the Government scheme was discontinued In the absence of demand from the cultivators at present we propose to discuntinue our scheme with effect from the 1st April, 1954. Should the Railway Board agree to reduce the freight on cattle dung manure, as suggested in our letter* (copy enclosed), steps will be taken to rationalise the arrangements for loading wagons at the railway stations in the Bombay Suburban District and to revive our scheme, if necessary.

Enclosure :—Copy of 1 note.

A brief note on a scheme for the utilisation of the cattle dung manure.

A scheme for the utilisation of the cattle dung manure available in the Bombay Suburban District, through Government Agency was first prepared by the Agricultural Commissioner, Bombay, in November 1946. The scheme was not, however, sanctioned on the ground that a private person (Shri Khushalbhai Patel) was already conducting the business of dispatching the manure out of Bombay and so there was no need for Government to undertake the business. The question was reviewed in January 1948 in a meeting which was attended by the Minister, Agriculture and Forests, the Secretary, Agriculture and Forests Department, the Milk Commissioner, the Execution Health Officer, Bombay Municipal Corporation, Rao Bahadur Mankar, Shri Khushalbhai Patel and Shri Lajpatrai Dharia. One of the decisions taken in the meeting was to approach the Railway Board to reduce the existing freight charges for the transport of the manure. The Railway Board replied that there was little margin of profit in the freight rates and so they could not be lowered. Meanwhile the Secretary Agriculture and Forests Department discussed the question with Shri Datar Singh and the Chief Biochemist to the Government of India. A scheme was thereupon prepared for the utilisation of the cattle dung manure available in the Bombay Suburban District through Court Agency, and it was sanctioned in Government Resolution No. 1158, dated 20th April, 1948, (copy attached). It was estimated that a quantity of 50,000 tons of cattle dung manure was available per year in the Bombay Suburban District. The scheme envisaged the utilisation of 20,000 tons. The quantity was to be sold at Rs. 100 per wagon load (20 tons) f. o. r. any Railway Station on the B. B. C. I. Railway within 200 miles of Bombay. The cost of the manure to Governmrnt at Andheri Station came to Rs. 95 per wagon load. Under the scheme, thus Government bore almost the whole of the Railway freight. The Government of India agreed to bear half of the net cost of the scheme. The scheme was continued in Government Resolution. No. 1158, dated the 13th October, 1949, (copy attached) with certain modifications. With a view to encouraging the utilization of the manure as near as possible the selling rate of the manure was fixed at Rs. 20 per wagon-load f. o. r. . Andheri. It was also decided to sell the manure in trucks to places within a radius of 15 miles from Bombay at Rs. 10 per truck load (of 5 tons). The subsidy involved in the arrangements came to Rs. 3-8-0 per ton of the manure supplied under the scheme. In 1950—51 the subsidy was stopped except in the case of supply of the manure for growing vegetables in Greater Bombay In 1951—1952 the scheme was made self-supporting by reducing the staff sanctioned for it and keeping a margin between the collecting and loading charges incurred by Government and the selling price charged by Government, so as to

* Letter No. 1253/65618—G, dated the 30—12—53 already enclosed.

cover the expenditure on the staff. The scheme has since been continued from time to time on the same basis. The quantities of manure supplied under the scheme are as follows :—

1948—49	7,090 tons
1949—50	30,000 tons
1950—51	21,640 tons
1951—52	7,520 tons
1952—53	2,420 tons

The decrease in the quantity supplied during 1951-52 was due to wagon-shortage and short (of three months or so) and late sanctions accorded to the continuance of the scheme, while Government was reviewing it. The poor performance during 1952—53 has been attributed to late sanction and the higher selling price of Rs. 95 per wagon load prescribed for some months.

The staff at present sanctioned for the scheme consists of one senior clerk in the scale of Rs. 100-8-140. The cost of collecting and loading the manure at Andheri comes to Rs. 85 per wagon load. The selling price of the manure is Rs. 90 per wagon load. The target of supply is 1000 wagon loads (20,000 tons) per year It is, however estimated that a quantity of about 400 wagon loads only will be supplied under the scheme during the current year, the demand having decreased on account of the fall in the prices of agricultural produce.

It has been reported by the Director of Agriculture that with the existing railway freight rates only cultivators within 100 miles of Bombay find it advantageous to purchase the cattle dung manure and that the demand for the manure will increase considerably if the railway freight rates are reduced.

Copy of letter No. MNR 1253/12901-H, Agriculture and Forests Department, Bombay Castle, 16th February, 1955 from Shrimati D. M Sabnis, B. Com., Assistant Secretary to the Government of Bombay, Agriculture and Forests Department to the Deputy Secretary to the Government of India, Ministry of Food and Agriculture New Delhi.

Subject: Railway freight rates for cattle dung manure—Reduction in.

As suggested by Dr. Talathi, Compost Development Officer, who was in Bombay on the 15th instant, I am to forward herewith copies of this Government letters, No MNR 1253/78788-(a)-H, dated the 14th January, 1955 and No. MNR 1253/78788-(b)-H. dated the 14th January, 1955, addressed to the Chief Commercial Superintendents, Western and Central Railways, on the subject mentioned above, with the request that the matter may kindly be taken up with the Ministry of Railways.

Copy of letter No. MNR 1253/78788—(a) H., Dated the 14th January, 1955 from The Association Secretary to the Government of Bombay, Agriculture and Forests Department to The Chief Commercial Superintendent, Western Railway, Churchgate, Bombay.

Subject:— Railway freight rates for cattle dung manure reduction in.

I am directed to refer to your letter No. C. 493/2/58, dated the 6th November, 1954, on the above subject, and to state that the concession granted in the railway freight for transport of cattle dung manure to stations up to Udvada is of little use as the railway freight is reduced only by about Rs. 4/- per wagon. The cost of the manure is Rs. 4/8/- per ton F.O.R. Andheri. Cultivators can normally afford to purchase it at not more than Rs. 8/- per ton delivered at their places. With the present railway freight rates therefore, only the cultitators near the railway stations which are within about 100 miles from Andheri can afford to purchase cattle dung manure from Bombay. This Government is most anxious to see that the large quantity of cattle dung manure available at Bombay is not allowed to go waste, but is put to use by bringing it within the reach of agriculturists beyond 100 miles of Bombay. This can only be achieved if a substantial concession in Railway freight is given to stations beyond 100 miles. I am therefore, to request you to reconsider the question and agree to reduce the freight on cattle dung manure by 50% to all stations up to 250 miles from Bombay.

An early reply is requested.

Copy of letter No. MNR 1253/78788 (b) H. dated the 14th January, 1955. from The Assistant Secretary to the Government of Bombay, Agriculture and Forest Department to The Chief Commercial Superintendent, Central Railway, Victoria Terminus, Bombay.

Subject:— Railway freight rates for cattle dung more reduction in.

I am directed to state that for some years past this Government has been operating a scheme for supply of cattle dung manure available at Bombay to mofussil cultivators on a 'no loss no profit' basis. The quantity of manure estimated to be available at Bombay every year is about one lakh tons. It has, however, not been possible of dispose to this quantity to a substantial extent due to the small demand on account of the high railway freight charges. The cost of the manure is Rs. 4/8/- per ton F.O.R. Andheri (Bombay). Cultivators can normally afford to purchase it at not more than Rs. 8/- per ton delivered at their places. With the present railway freight rates, therefore, only the agriculturists near the railway stations which are within a distance of about 100 miles from Andheri can afford to purchase cattle dung manure from Bombay. This Government is most anxious to see that the large quantity of cattle dung manure available at Bombay is not allowed to go waste but is put to use by bringing it within the reach of agriculturists beyond 100 miles of Bombay. This can only be achieved if a substantial concession in the railway freight is given. This Government had taken up the matter with the Railway Board and in response received an intimation that the Chief Commercial Superintendents of Western and Central Railways were asked to jointly examine the matter in consultation with the Bombay Government. The representatives of the Central and Western Railways accordingly discussed the matter with the Secretary to the Government of Bombay Agriculture and Forests Department as a result of which the Chief Commercial Superintendent, Western Railway, granted certain concessions in the Railway freight charges for transport of dung manure to stations upto Udvada. This Government has separately approached the

Chief Commercial Superintendent, Western Railway to reconsider the matter and to agree to reduce the freigst on manure by 50 per cent. to all stations upto 250 miles from Bombay to make it economic to cultivators. I am to request you to agree to the above proposal so far as transport of cattle dung manure from Bombay to stations on the Central Railway is concerned.

An early reply is requested.

Humble petition of the Agriculturists of Anand proper and surrounding villages regarding reduction in Railway Freight on the transport of cow dung.

The Secretary to the Government, Ministry of Agriculture, Government of India, New Delhi.

May it please your Honour :

We, the agriculturists of Anand and surrounding villages beg respectfully to place before your Honour the following few lines for your Honour's kind and sympathetic consideration and early action.

Your Honour need not be specially informed of the narrowing and distress conditions of the people of Anand and surrounding villages consequent either on the failure of rains or as the result of deluge conditions. We are not in a position to till the land and grow the crop by relying upon nature. For the supply of our needs of water, we have, therefore, decided to resort to artificial methods of cultivation by taking water from canals or from tube wells This system, as Your Honour is well aware, is extremely costly and unless we take out two or three crops during a year, the artificial methods of irrigation become financially unworkable and for this purpose we are required to use very good manure to render the land fertile and from our experience we have found that cow-dung is the best manure that can be used for our lands.

Cow dung is available in plenty in Bombay and the dairy-owners of Bombay are quite eager to dispose of it. But the Railway freight that we are required to pay on the transport of this commodity from Bombay to Anand is very heavy and financially an unprofitable proposition.

We have, therefore, resolved to approach Your Honour with all due humility and respect and to request that your Honour may be pleased to move the Railway Board to reduce the Railway freight on transport of cow-dung by at least to 25% from the present prevailing rates. We have been informed that the Railways give concessional rates for the transport of fodder, hay, live-stock and other things used for Agricultural purposes. Cow-dung being also equally useful manure of agriculture, nay, an essential requirement for the fertility of the soil, we feel that there is all the more reason for introducing concessional rates for the transport of this commodity by Rail. If the required reduction as effected on the transport of this commodity, we, the agriculturists will be in a position to take out two or three crops during a year and thus add a little to our meagre income and contribute greatly tothe Government's Grow More Food Campaign which in its turn is bound to contribute to the prosperity of the nation in general and Five Year Plan in particular.

Hoping to receive an encouraging and reassuring reply from Your Honour at the earliest convenience.

Copy of Letter NAR 18th January 1954.

Secretary, Government of India, Ministry of Agriculture, New Delhi.

subject :—Petition of Agriculturists of taluka Petalad, District-Kaira, Bombay State regarding reduction in the railway freight for the transport of manure.

May it pleaae your Honour,

We, the agriculturists of the aforesaid area, most respectfully beg to approach with the following few lines for your Honour's kind and sympathetic consideration and early action.

Consequent on the failure of rains and as a result of floods, and hence failure of crops, the distressed condition of the people is wellknown. And hence to compensate we have to reosrt to artificial means of water supply. We have to get the required water from canals and tube wells. This system is costlier and unless we take two or three crops in a year, this artificiality of irrigation becomes very costly and hence unworkable. This purpose can well be served by good manure to maintain the fertility of the soil. This manure can only be had in plenty in Bombay Suburbs and the dairy owners are ready to dispose it off. The railway freight for the transport of the said manure from Bombay to Petlad etc. is too much and financially beyond our reach.

We have therefore approachad your honour to please move the Railway authorities to reduce the freight at least by 50% from the prevailing rates. Much more is being done by the Railway authorities to offer special concessions for the transport of fodder, hay, livestock and such other essentials for agriculture to bring the soil to maximum fertility.

This request of ours may kindly be complied with so as to add a little to our meagre income and contribute greatly to our Government's Grow more Food campaign and hence the prosperity of the nation in view of the Five Year Plan in particular.

Hoping to receive an assuring reply at your earliest,

Copy of D.O. letter No. E.R.-151/M-19/1953 dated the 5th May 1953 from Shri S.B. Singh, Department of Agriculture, U.P., Lucknow, to Sardar Datar Singh, Additional Secretary,

Government of India, Ministry of Food and Agriculture, New Delhi.

Please refer to your D.O. No. PC-204/1953 dated March 11, 1953, regarding gypsum for alkaline lands in Uttar Pradesh.

I enclose, for your information, the views of Dr. R. R. Agarwal, the State Agricultural Chemist, and I agree with him, so far as its cost and transportation is concerned. If it were feasible to get the gypsum categorised as agricultural fertiliser from the Government of India, there may be fair chances of its economic use at lower cost. Its popularity with the cultivators will increase if its railway freight is lowered.

Copy of letter No. 1231/P-17/53 dated 2-4-53 from Agricultural Chemist to Government U.P., Kanpur to the Director of Agriculture, Uttar Pradesh, Lucknow.

Subject:—Use of gypsum for alkaline lands in U.P.

With reference to D.O. No. 8593/M-19 dated March 16, 1953 from Dr. B. K. Mukerji to my address on the above subject, I have the honour to state that trials conducted with gypsum for reclamation of alkaline lands in U.P. have given very encouraging results. In fact, there are reasons to suggest that no reclamation project with predominantly alkaline soils should be undertaken unless the land is suitably treated with gypsum.

Gypsum is now available in large quantities from Rajasthan. The use of fine quality gypsum for production of ammonium sulphate at Sindri has made surplus large quantities of medium quality gypsum for other uses. This can very profitably be utilised for agricultural purposes. The price of gypsum is also moderate and we can get supplies at Rs. 6/- to Rs. 8/- per ton f.o.r. quarries. However, the greatest obstacle to its large scale use is the cost of transport. The cost of transport varies from Rs. 25/- to Rs. 35/- per ton in U.P. depending upon the distance of the town from Bikaner. Thus the landed cost of gypsum in U.P. varies from Rs. 33/- to Rs. 43/- per ton. To this must be added the charges for powdering and spreading the amendment on the fields. As the doses of gypsum for successful results vary from 3 tons to 8 tons per acre, the total cost of treatment becomes unusually high. It is primarily for this reason that gypsum has not found that popularity which it deserves with our cultivators using alkaline lands.

Perhaps it may be possible to treat gypsum on the same level as fertilisers for increased crop production. Certainly, gypsum is recognised to be a very useful soil amendment for alkaline soils If it could be categorised as an agricultural fertiliser or amendment for being utilised in grow more food drive there may be possibilities of getting concession on railway transport. If this be feasible and gypsum for bona fide agricultural use can be transported at ¼th ordinary goods rates on wagon-loads, the landed cost will decrease considerably and it may then become popular with our cultivators. You may like to make a move in this direction by taking this matter up with Sri Datar Singh and the Government of India. I have at present no idea as to what quantities of gypsum will ultimately be required for agricultural purposes in this state, but I have strong reasons to believe that if it can be made available at cheaper rates its demand may increase gradually.

Copy of letter No. A 3488/XIIA-10 (10/52/53) dated the 3rd June, 1953 from Shri M. N. Jalil, B. Sc., LL. B. (Alig), D. P. A. (London), F. I. P. A. (England), Assistant Secretary to Govt. of United provinces, to the Secretary to the Govt. of India. Ministry of Food and Agriculture (A), New Delhi.

Subject :-*Use of gypsum in Uttar Pradesh*

I am directed to say that the demand for gypsum, has of late increased in this State both for reclaiming usar soils as well as for manurial purposes. Some recent experiments conducted by the Crop physiologist to the State Govt indicate that application of gypsum in the presence of adequate doses of nitrogen and phosphorus, increases the yield of wheat, paddy and potato. It is, therefore, likely that gypsum may gradually enter into the manurial schedule of this State in time to come. Last year 70.5 tons gypsum was purchased and this year the community project areas are purchasing 480 tons. At present gypsum is obtained by the Agriculture Department of this State at a token price of Rs. 2/- per ton ex-factory but the cost of its transport ranges from Rs.25/- to Rs. 35/- per ton depending upon the distance from despatching station. Thus the total landed cost of gypsum ranges from Rs. 27/- to Rs. 37/- per ton excluding other incidental and powdering charges. Since the firm dealing with gypsum is offering the material at a concessional rate, it is desirable that the cost of its transport is also brought down. It is therefore requested that Ministry of Agriculture may kindly be moved to ask the Ministry of Railways to allow concession on its movement. It is suggested that the revised rate of tranport may be fixed at about 1/4th of the rate for movement of other goods in wagon loads. It is expected that if the concession in transport charges is allowed as suggested, it would be possible to encourage the use of gypsum in this State.

Coppy of letter No. A-3261/XIIA-10/53 dated the 2nd June, 1955 from Shri S.S. Mehorotara, Assistant Secretary to the Government of U. P. to the Ministry of Food & Agriculture (Agri), New Delhi.

Sub:—Railway freight on Gypsum: With reference to Sri Chetty's letter No. F. 12-8/54-M, dated the 21/22nd October, 1954, on the above subject, I am directed to say that unlike Bihar where Gypsum is applied as manure to paddy, in Uttar Pradesh it is used exclusively for the purpose of reclamation of usar lands (saline and alkaline soils). With the help of Gypsum the excess salinity and alkalinity are countracted but a reclaimed soil does not immediately become fertile. After reclamation through the use of Gypsum various other steps have to be taken for the amelioration of soil fertility. It would not, threfore, be just to apply the same standard for judging the utility of Gypsum for agricultural purposes in the two States of U.P. and Bihar. In view of the specific utility of Gypsum for reclamation of alkaline soils in U.P. it is necessary that its selling price is kept well within the means of the growers in this State.

In this connection I am to enclose for your information a statement showing the break up of the selling price of Gypsum at certain places in this State on the basis of the cost price of Gypsum at Rs. 2/- per ton ex-Bikaner at which it was formerly available to this State. This price has however since risen from Rs. 2/- per ton to Rs. 7/- per ton resulting in a corresponding increase in the selling price of Gypsum in this State. It seems that the lowest freight rate charges from Gypsum by the Railways are the same as for other manures. The rate of transport on sulphate of Ammonia costing Rs. 290/- per ton ex-Sindri comes to Rs. 25/- per ton on the average at the receiving points in U.P. The rate of railway transport in this case is less than 1/10th of the ex-mill price of the manure. On the other hand the present price of Gypsum ex-Bikaner is Rs. 7/- per ton and the cost of transport even at the lowest freight rate varies between Rs. 20/- to Rs. 35/- per ton. In this case the cost of the railway freight therefore amounts to 300-400 per cent of the cost of Gypsum. The Government of India will no doubt appreciate that in order to encourage the growers to use Gypsum for improving 'usar' lands it is essential that the existing railway freight charges reduced substantially in consideration of the economic condition of the growers and the prevailing prices of foodgrains. It is apprehended that if the concession in freight is not allowed, the chances of reclamation of usar land will become far remote. Again the normal requirement of Gypsum for this State for usar' reclamation work are not likely to exceed 1000 tons in any year and as such it will not put the Railways to any substantial loss if transport charges on Gypsum are reduced preferably to one-fourth of the lowest railway transport charges now being operated by the Railway Board.

In the circumstances, I am to request that the Government of India may kindly be moved to consider the matter favourably and agree to allow the concession which may for the time being be limited to the quantity which may be obtained by the State Department of Agriculture.

Statement on break up of selling price of Gypsum in U.P.

Name of city	Cost per ton of gypsum ex-Bikaner mines. †			Cost of rail transport per ton.			Selling rate per ton.		
	Rs	A.	P.	Rs.	A.	P.	Rs.	A.	P.
Meerut ...	2	0	0	17	8	0	20	4	0
Aligarh ...	2	0	0	18	3	9	26	7	0
Gonda ...	2	0	0	25	11	0	28	14	3
Allahabad ...	2	0	0	28	5	0	31	0	0
Gazipur ...	2	0	0	39	5	6	41	5	0

* due to long distance transport.

† the price has since been changed to Rs. 7/- per ton.

To, Shri K. C. Chetty, Deputy Secretary to the Government of India, Ministry of Food and Agriculture, New Delhi.

Sir, As you are aware the heavy Railway freight on the transport of gypsum has been standing in the way of its widespread utilisation by the cultivators for the improvement of their Alkali Soils, besides its various other agricultural uses.

I understand the question of the reduction of Railway freight on Gypsum was taken up before by your Ministry, but now the Railway Freight Structure Enquiry Committee has been considering the freight question of various kinds of manures and fertilisers, I consider that it is an opportune time to place before the Committee the necessity of reducing the freight on Gypsum. I am enclosing herewith copies of Dr. Agarwal's note as well as my note which I hope you will find useful in putting up a strong case for the reduction of Railway freight on Gypsum.

Gypsum for Agricultural Purposes

By Dr. R. P. Agarwal
Agricultural Chemist to
U. P. Government.

Gypsum has many industrial uses; but its chief agricultural use is as a valuable and effective reclaimant for saline and alkali lands. Since alkali soils are characterised by high contents of exchangable sodium and gypsum supplies quickly the necessary calcium to replace the harmful sodium, it works exceedingly well as an agent to render alkali soils within the shortest possible time fit for agricultural purposes.

There are about 2.2 million acres of alkali soils in Uttar Pradesh locally called Usar, the reclamation of which is a matter of considerable and fresh culturable land is urgently needed to settle displaced persons, ex-servicemen and landless labour. If even a small portion of the Usar area in U. P. is reclaimed it will go a great way in relieving pressure on agricultural land and in the rehabilitation programme of our Government for this purpose, gypsum in large quantities needed for agricultural use in this State.

Large deposits of good quality gypsum occur in Rajasthan. The price of gypsum at mines varies from Rs. 2 to Rs. 8 per ton. But the cost of transport is high. The average cost of transport of gypsum from Rajasthan to West U. P. is about Rs. 25/- per ton and that to East U. P. is about Rs. 35 per ton. The landed cost, therefore, varies from Rs. 30 to Rs. 40 per ton in this State. The average requiremont of gypsum for reclamation of

Usar land is about 3 to 5 tons per acre. Thus, the total cost of gypsum alone varies from Rs. 100 to Rs. 200 per acre, besides other expenses on reclamation operations on the Usar land. This high cost of gypsum has made even small scale land reclamation programme uneconomic and completely out of reach of an ordinary cultivator. Since no other substitute of the same efficiency as gypsum is known to be as effective for reclamation purposes, the problem of Usar reclamation remains as unsolved in this State as it was a few decades back. It is, therefore, essential to find ways to make gypsum available to cultivators at prices economic to their needs.

In order to encourage agricultural production in the country, the Railway Authorities grant certain concessions on freight for the transport of seeds and fertilisers. Gypsum has not so far been categorised as a fertiliser and therefore it cannot be transported at concessional rates. Although gypsum is not a fertiliser in the strict sense of the term, it is a soil amendment of considerable agricultural value and from that point of view can be treated on the same footings as fertilisers. If the Railway Authorities agree to grant concession on the transport of gypsum, in much the same way, as on fertilisers, it can be made available to cultivators at much reduced prices. For example, if it is transported at 1/4 parcel rates its landed cost in U.P. will vary from Rs. 8 to Rs. 16 per ton and it will then become economic to be used on large scale Usar reclamation projects in Uttar Pradesh.

The Board of Agriculture, U.P. strongly recommends to the Government of U.P to take this matter up with the Central Railway Board to allow the same concession in freight on these consignments of gypsum which are meant for agricultural purposes as is the practice for fertilisers. The indents on gypsum duly countersigned by the District Agricultural Officers of districts as a token of genuine agricultural use should be allowed the proposed concession. This will go a long way in increasing food production in the country and will also make available additional agricultrual lands for rehabilitation of displaced persons, ex-servicemen and landless labour.

"The greatest single factor in high productivity is not science nor economics but simply good husbandry" Sir John Russel 1953.

Indispensibility of Gypsums for Soils in India

The pre-requisite for bringing about any increase in crop yield and for assessing the correct value of any fertiliser or organic manure in that the soil on which the experiments have to be carried out should have permanent water-stable crumb structure, in the absence of which tilth production is very difficult and seed-bed cannot be properly prepared. When the seed-bed is not properly prepared, the germination of the seed will be poor and the seeds that will germinate will not grow into vigorous and healthy plants. No aftercare can replace the loss to the crop sustained at the early stages. Crumbs can be produced, (1) biologically by the application of the farm yard manure, but the quantity of the farm yard manure actually applied is hardly one per-cent of the total area of the arable land.

(2) The second method of producing soil crumbs biologically is by resorting to green-manuring or by introducing grass into crop rotation, i.e. by lay-farming. Green manuring is possible on a very limited area, while lay farming is not possible, except in rare cases, due to the small size of holdings. Further under out hot sun, most of the organic matter in the very first year is brunt up and has to be applied every year. Under the circumstances only alternative left is to produce synthetically organic aggregating substance similar to those present in the farm-yard manure. 'Krilium' is one such substance but its commercial use is not possible yet and further it will have to be imported. Application of gypsum which is not only available, but going to waste in our country on account of high railway freight, will do this work for most of our soils. It will produce permanent water-stable, crumb structure for good tilth and consequent good preparation of seed-bed resulting in bumper crops.

Gypsum can be beneficial for achieving the following objects.

Besides upon alkaline and saline soils, the other beneficial uses of gypsum in agriculture are upon various soils types and for multifarious purposes like :—

1. In heavy clay.
2. for tilth production in general.
3. prevention of soil capping and soil erosion.
4. larger and easier soil flocculation and soil acration, with attendant larger drainage
5. improving the calcium status of the light clay (even calcium carbonate rich ones).
6. preservation of tract elements like Boron East Magnesium Zinc etc. by eliminating highly alkaline conditions generated by direct lime application.
7. for soil moisture retention under farming conditions in arid regions.
8. fixation of nitrogen upto 98% availability in the organic manures and composts (against 16 to 25% by the normal methods employed).
9. for increased manurial activity and manifold crop yield in small dosage (½ to 1 md. per acre per crop) in conjunction with usual organic manures, composts and/or chemical fertiliser.

To The Hon'ble Minister for Railways, Government of India, New Delhi.

Sir, We most respectfully beg to submit this representation of ours for your honour's sympathetic consideration and necessary orders :—

That we have undertaken an adventurous development work of Usar reclamation in an extensive area of 480 acres land through Gypsum at Khajurhat in District Faizabad of U.P., which is a reconstructional work of great national importance. Ours

is a sort of pilot Project Scheme, which envisages Usar reclamation through applications of Gypsum and is sponsored by the Community Project Bikapur District Faizabad. Gypsum is a mineral which is mined and transported by Railway from Jamsar, which happens to be a railway station of Northern Railway.

That the problem of Usar reclamation in Uttar Pradesh is a very acute one, inasmuch as that there are 22 lakhs acres of Usar land in this State alone, that have been lying un-productive and as waste land since ages with great potentialities of being converted into smiling fields covered with green vegetation, only if proper care is taken by some one for the reclamation of these. One novel way of achieving this end is through the application of Gypsum.

That for this purpose, the movement of very huge quantities of Gypsum from Jamser is necessitated which renders the cost of Gypsum at the destination quite heavy owing to the excessive rates of the Railway Freight. The cost of Gypsum for agricultural purposes ranges from Rs. 2 to Rs. 5 per ton only, whereas the Railway freight between Jamser and Khajurahat works out to be Rs. 26 per ton. This transport cost, therefore, in the larger interests of the cultivators needs reduction by way of concession as is most liberally extended to by the Railways for the movement at other agricultural commodities.

That at present Gypsum is being transported under the category of fertilisers, which renders its cost of transport very heavy. In fact Gypsum when used for the Usar reclamation is at its best only as a mender and reconditioner of soil and does not act in any way as a fertilser. It is altogether wrong to classify it as a fertiliser.

That at present liberal use of Gypsum for Usar reclamation by cultivators is not possible because of the prohibitive cost of Gypsum. One way of reducing this cost is to reduce the Railway freight, which at present is very excessive, because the initial cost of Gypsum has already been fixed at a quite reasonable and nominal figure. That in a welfare state like that of ours it is only natural for the cultivators to expect a cheap transport of commodities like Gypsum at a specially reduced rate by the State Railways, the use of which is likely to reclaim 22 lac acres of Usar land, to lessen the pressure on land and provide an avenue of employment to many peasants.

That Railways have always been very eager to help industries particularly agriculture by extending such facilities as can reasonably be expected of them in the matter of freight and priorities for preferential movement etc., special rates for scheduled categories have always been sanctioned from time to time to encourage the use of such commodities which have proved to be helpful in promoting the development of agriculture or an industry. This being the case, Gypsum is also such commodity, which deserves to be considered for similar concession when used for agricultural reclamation purposes.

That we have already moved 350 tons of Gypsum so far and are obliged to move further huge quantities of Gypsum in near future for Usar reclamation. Our main difficulty, however, as submitted above, is the Railway Freight, which is very excessive. There are many other cultivators, who are also eager to undertake this project of Usar reclamation, provided its cost of transport is reduced.

We, therefore, pray your honour to be pleased to reduce the existing Railway Freight and sanction a special rate for the transport of Gypsum for agricultural reclamation purposes, whenever it is certified so by the Director of Agriculture of the State concerned.

Q: 31. On the whole, it is felt that in regard to the movement of commodities of national importance such as the fertilisers, considerations such as economics of transportation costs etc. should not be considered. Attention is invited to remarks against item 1, wherein the importance of reduction in the freight rates on fertilisers has been stressed. It need hardly be stressed in stronger terms.

Q: 32. No remarks except that in a developing economy through which India is passing now, it is essential to assist the development of industries in all possible manner. Increased economic activity, which appropriate freight structure brings about, brings its own rewards even to the railways.

Q: 33. As is well known, before the Second World War hardly any fertilisers used to be produced in the country. Whatever little consumption there was, was dependent on imports. Difficulties of import during War days brought home the necessity of producing fertilisers within the country. Added to this, the notorious Bengal Famine, also brought home the necessity of using chemical fertilisers for obtaining high yields. Thus initial steps for developing fertilisers industry in the country were taken even during War days, but actual development took place only in post-war years so much so that the State-owned Sindri factory started production only towards the end of 1951. But that time, of course, production of superphosphate at home had already started in appreciable quantities. Nevertheless, the installed capacity of fertilisers in the country is still very much below the potential requirements of the country. This will be evident from the fact that the present installed capacity for the production of nitrogen in the country is only about 85,000 tons, whereas the target for the consumption of nitrogen in the year 1960-61 has been set at 3·73 lakh tons. On the side phosphates, the present capacity is only a little over 32,000 tons of P_2O_5, whereas the target for consumption in 1960-61 is 1·2 lakh tons. Steps are being taken to instal further production capacity for fertilisers within the country. But it quite evident that the fertilisers production industry in the country is still in the infant stage. Hence it needs all possible encouragement. For this purpose it is essential to do the following:—

(a) That low freight rates on raw materials required for the production of fertilisers should be introduced; and

(b) Low freight rates for the transport of fertilisers materials, which in themselves are raw materials for agricultural industry, should be introduced.

Both the above means will lead to the same

result i.e., greater use of fertilisers in raising crops.

Attention in this connection is invited also to remarks against item I.

Q: 24. If a freight pool is created for raw jute, there is no doubt that the cultivators growing raw jute in other States and places far off from Calcutta will be benefitted in as much as they will be able to receive a higher price for their produce. This is, however, subject to the activities of the middlemen and mill agents who in the case of raw jute particularly operate in the main jute producing areas and purchase most of the raw jute on behalf of the traders or mills. If the middlemen's profit goes up simultaneously with the decrease in the railway freight, there will be very little benefit to the cultivators. It may also perhaps be mentioned that the cultivation of raw jute in other places is not primarily dependent upon the high or low freight rates. The cultivation of jute requires special weather conditions, rainfall and retting facilities and if these facilities are not present in any area, the mere change in the freight rate may, it is apprehended, not affect the cultivation of jute. Again, freight pool and fairly uniform freight rates, irrespective of distances, may mean higher rates for nearer distances and in that case the cultivators round about Calcutta may get a lesser price for their produce if the middlemen's profit remains the same. It is, therefore, necessary that if a frieght pool is created, the nearer distances which are at present getting the benefit of less freight rates should not be put at a disadvantage. The question, therefore, needs careful examination particularly from the point of view of the suitability af an area for the cultivation of raw jute and the operation of middlemen or mill agents who buy the bulk of raw jute from the cultivators.

Q: 25. Regarding the agencies which should administer the work of freight pool, it apprears that an appropriate agency under the railways, having representatives of various interests concerned, (such as industry, cultivators, traders, Central as well as State Governments etc.) as its members, may be more suitable.

Q: 41. Stable freight rates are generally preferable, but fluctuations in the competitive conditions in the export market in the case of commodities which are important foreign exchange earners or whose prices internally sag abruptly, must also be taken into consideration in the determination of freight rates. It is felt that the general freight rates laid down in respect of some commodities should not be changed very often, but if in the case of a particular commodity it becomes necessary to lower the freight rates in order to maintain its competitive position in the world markets, such a concession should be allowed by the railways. In other words, though the freight rates should be stable, they should not be rigid. This Ministry has felt the need of such concession in railway rates in the case of some commodities, particularly in the case of tapioca in the recent past.

Q: 50. This item seeks information about the quantum of new traffic in the principal commodities, with their approximate lengths of movement likely to result from the increased activities in the private sector during the Second Plan period. In so far as agricultural commodities are concerned, statements showing targets of additional production tentatively proposed by Ministry of Food and Agriculture in respect of major agricultural commodities for the Second Plan period are placed below. It is expected that in case of foodgrains taking the country as a whole, about 40% of the estimated additional production will require transport facilities. In case of other major commodities, namely cotton, jute, oil-seeds, pepper, cashewnuts and arecanuts, the whole of the additional production is likely to be moved.

As regards sugar, sugarcane and gur, an increase of 25% is expected in their production during the Second Five Year Plan period compared to 1955-56. It is expected that a corresponding increase will take place in the demand for railway transport in these commodities. A note indicating the position in regard to these commodities is also placed below.

It may be mentioned here that the information relating to targets enclosed herewith is based on the proposals tentatively drawn up by the Ministry of Food and Agriculture for the Second Five Year Plan. The views expressed above in regard to quantum of new traffic are mostly in relation to the country as a whole. In so far as actual region wise position is concerned it is expected that necessary information will be provided by the State Governments and regional bodies.

FOOD GRAINS

Target of agriculture production and Transportable surplus. ('000 tons).

State	Additional production at the end of 1960—61		
	Cereals	Pulses	Total
1	2	3	4
1. Andhra	780	20	800
2. Assam	254	5	259
3. Bihar	1,050	150	1,200
4. Bombay			550
5. Madhya Pradesh			600
6. Madras			700
7. Orissa			440
8. Punjab	640	—	640
9. U. P.	1,600	400	2,000
10. West Bengal			750
11. Hyderabad	528	38	566
12. Jammu & Kashmir			50
13. Madhya Bharat			225
14. Mysore	165	15	180
15. PEPSU.	240	10	250
16. Rajasthan	600	100	700
17. Saurashtra			90
18. Travancore-Cochin	150	—	150
19. Ajmer			7
20. Bhopal	73	26	99
21. Coorg			6
22. Delhi	15	—	15
23. Himachal Pradesh	19	—	19
24. Kutch			17
25. Manipur	5	—	5
26. Tripura	5	—	5
27. Vindhya Pradesh	121	22	143
Total			10,466

JUTE

Total (Target) and Additional Production during 1960-61 as compared to 1954—55. ('000 bales)

State	Target of total production at the end of 1960-61	Production during 1954-55	Additional production during 1960-61 over 1954-55
1	2	3	4
1. Assam	1,050	776	274
2. Bihar	1,150	604	546
3. Orissa	250	192	58
4. Uttar Pradesh	110	70	40
5. West Bengal	2,325	1,465	860
6. Tripura	70	46	24
Total	4,955	3,153	1,802
	or 50 lakh bales	or 32 lakh bales.	or 18 lakh bales.

COTTON

Total (Target) and additional Production during 1960—61 as compared to 1954-55 ('000 bales).

State	Target of Total Production at the end of 1960-61	Production during 1954-55	Additional production during 1960-61 over 1954-55.
1	2	3	4
1. Bombay	1,250	1,269	(—) 19
2. Madhya Pradesh	780	663	117
3. Madras	400	271	129
4. Andhra	115	87	28
5. Punjab	700	440	260
6. Hyderabad	550	379	171
7. Madhya Bharat	410	332	78
8. Mysore	156	139	17
9. PEPSU	350	228	122
10. Rajasthan	324	119	205
11. Saurashtra	260	253	7
12. Uttar Pradesh	130	43	87
13. Bhopal	20	7	13
14. Orisa	25	2	23
15. Other States	50	66	(—) 16
Total	5,520	4,298	1,222
	or 55 lakh bales.	or 43 lakh bales.	or 12 lakh bales.

OIL SEEDS

Total (Target) and additional production of Oil Seeds during 1960-61 as compared to 1954-55 ('000 in tons.)

State	Target of total production at the end of 1960-61	Production during 1954-55	Additional production during 1960-61 over 1954-55
1	2	3	4
1. Andhra	665	759	(—) 94
2. Assam	60	48	12
3. Bihar	140	72	68
4. Bombay	1,050	734	316
5. Madhya Pradesh	400	293	107
6. Madras	1,130	828	302
7. Orissa	100	66	34
8. Punjab	110	113	(—) 3
9. Uttar Pradesh	1,100	987	113
10. West Bengal	80	44	36
11. Hyderabad	1,000	838	162
12. Jammu & Kashmir	4		4
13. Madhya Bharat	200	177	23
14. Mysore	200	135	65
15. PEPSU	30		39
16. Rajasthan	225	195	30
17. Saurashtra	350	427	(—) 77
18. Travancore-Cochin	20		
19. Ajmer	3		
20. Bhopal	15	92	(—) 41
21. Himachal Pradesh	1		
22. Kutch	8		
23. Tripura	4		
24. Vindhya Pradesh	70	69	1
Total	6,965	5,877	1,088

PEPPER

Total (Target) and Additional Production of Pepper during 1960-61 as compared to 1954-55.

State	Target of total production at the end of 1960-61	Production during 1954-55	Additional production during 1960-61 over 1954-55
1	2	3	4
	(Figures in tons.)		
1. Bombay	427	100	327
2. Madras	13,650	8,900	4,750
3. Travancore-Cochin	19,172	16,700	2,472
4. Coorg	427	100	327
5. Mysore & Other States	1,629	(a)	1,629
Total	35,305	25,800	9,505

(a) below 100 tons.

CASHEWNUTS

Total (Target) and Additional Production of Cashewnuts during 1960-61 as compared to 1951-52.

State	Target of total production at the end of 1960-61	Production during 1951-52	Additional production during 1960-61 over 1951-52
	2	3	4
	(Figures in tons.)		
1. Andhra	6,120		
2. Bombay	6,670	4,500	2,170
3. Madras	37,070	33,000	4,070
4. Madhya Bharat	250		
5. Mysore	1,030		
6. Travancore-Cochin	24,230	20,000	4,230
7. Coorg	4,660		
8. Others		26,000	
Total	80,450	60,100	

ARECANUT

Total (Target) and Additional Production of Arecanut during 1961-61 as compared to 1953-54.

State	Target of total production at the end of 1960-61	Production during 1953-54	Additional production during 1960-61 over 1953-54
1	2	3	4
	(Figures in thousand maunds.)		
1. Assam	300	—	
2. Bombay	420		
3. Madras	1,010	738	272
4. West Bengal	62		
5. Mysore	350	306*	
6. Travancore-Cochin	565		
7. Coorg	15	6	9
Total	2,722		

* Figure for 1954—55 is 3·24 thousand maunds

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PART I-B.

The following statement, are enclosed :

(i) Production of edible vegetable oil-, seeds and oils.

(ii) Conversion ratios of oils from seeds.

(iii) Annual average wholesale prices of oilseeds, cotton & jute.

(iv) Month-end wholesale market prices of Rice, Jowar, Bajra, Barley, Wheat, Gram and certain pulses.

(v) Available information in respect of sugar.

Production of edible vegetable oilseeds and oils.
000 tons.

	1938—39 *	1947—48	1952—53	1953—54 (p)	1954—55 (f)
SEEDS					
Groundnut ...	3,145	3,411	2,883	3,573	3,823
Sesamum ...	392	351	464	552	592
Linseed ...	428	431	366	374	388
Mustard ...	733	806	844	855	962
Castor ...	114	118	102	108	112
Copra ...	N.A.	N.A.	225	225	N.A.
OILS					
Groundnut ...	366	738	625	798	853
Sesamum ...	118	109	144	172	184
Linseed ...	32	118	107	110	114
Mustard ...	216	238	252	255	291
Castor ...	27	38	34	38	39
Cocoanut ...	N.A.	N.A.	110	110	N.A.
Vanaspati ...	44	95	192	229	N.A.

N. A. Not Available.

* Average of 3 years ending 1938—39

(p) Partially revised estimate and therefore subject to revision.

(f) Final estimate and therefore subject to revision.

Conversion ratios of Oils from Seed.

Name of Seed			% Oil from Seed
Groundnut	...	...	40%
Sesamum	...	...	40%
Mustard	...	...	33⅓%
Copra	...	...	62%
Linseed	...	...	33⅓%
Castor	...	...	37%

Annual average wholesale Prices of Oilseeds, Cotton and Jute.

(Rs. per Md. unless otherwise stated.)

Oil seed	Market	Variety	1938—39 ¶	1947—48	1954—55
1. Groundnut (Kernels) ...	Bombay	Bold	5 3	22 13	17 0
	Madras	Coramandal	4 8	21 9	15 10
2. Gingelly (Sesamum) ...	Bombay	,,	6 2	31 0	22 0†
3. Castor seed ...	Bombay	Small	4 15	23 12	13 8
	Salem	,,	4 4	23 4	N. A.
4. Mustard seed ...	Kanpur	Yellow	5 14	26 6	25 3
5. Linseed ...	Bombay	Bold	5 3	21 0	17 5
	Calcutta	Small	5 14	21 4	17 4
6. Copra ...	Alleppey	Smoked	N. A.	N. A.	34 4†
7. Cotton (Rs. per candy of 784 lbs.) ...	Bombay	Basic	184	586	630
8. Jute ...	Relakoba	Bottom	N. A.	25 7 8*	25 13 0

1. Relates to marketing year Nov.-Oct.
2. Relates to marketing year Jan.-Dec.
3. Relates to marketing year Apr.-March.

¶ Average for 3 years ending 1938-39.

* Average for calendar years 1947 and 1948.

N. A. Not available.

† Average for ten months i. e. January to October, 1955.

Note on Additional Transport Facilities for Movement of Sugar and Gur Under the Second Five Year Plan.

The following figures show an estimate of production for 1955–56 and the targets suggested for 1960–61 :–

	1955–56	1960–61	Per centage increase during the 2nd Five Year Plan.
	(in lakh tons)		
Sugarcane	610	770	26%
Sugar ...	18	22.5	25%
Gur & Khandsari ...	33	42	27%

Sugarcane Gross production of sugarcane in 1954-55 was 546 lakh tons. With a further increase in the acreage the production in 1955–56 is estimated at 610 lakh tons. The argot for the 2nd Five Year Plen is 770 lakh ons. This means an increase of 160 lakh tons over the estimated production in 1955-56. 16% of the crop is used for seed and chewing, about 25% for production of white crystal sugar and about 60% is converted into gur and Khandsari.

Sugar : The production of sugar in 1954-55 season was 15.85 lakh tons. The consumption is estimated between 17 to 18 lakh tons. The production in 1955-56 is likely to be between 17 to 18 lakh tons. The target of 22.5 lakh tons suggested for 2nd Five Year Plan is based on an anticipated increase of 25% in the consumption demand due to increase in population and improvement in the purchasing power. An additional capacity of 5.75 lakh tons sugar has already been licensed. State-wise break-up of the target of 22.5 lakh tons is as shown in column 5 of the statement placed below. This has been worked out by adding the required additional capacity to production in 1954-55.

Gur and Khandsari:—No particular target for gur production is being proposed under the 2nd Five Year Plan but on the basis of targets of sugar and sugarcane production and making allowance for cane used for seed and chewing, production of gur and Khandsari by the end of the 2nd Five Year Plan period is calculated at 42 lakh tons. This means an increase of about 27% over the expected production of 33 lakh tons in 1955-56.

It will be observed from the above that the increase in production of sugarcane, sugar and gur will be about 25% as compared to that in 1955-56. We should, therefore, expect a corresponding increase in the demand for rail transport for movement of all these three commodities. The increase in cane supplies in the surplus areas of production will be comparatively small. The statement placed below gives a State-wise break-up of the targetted production of sugarcane and sugar. It is not possible to state precisely how much of the additional production will be achieved in each year of the 2nd Plan, but for the purpose of planning additional transport facilities an annual increase of 5% in the present commitments may be taken as the correct basis.

Statement showing state-wise production of Sugarcane, Sugar & Gur in 1954–55 and targets for 1960–61 (end of 2nd Plan).

(Figures in lakh tons.)

State	Sugarcane		Sugar		Gur	
	1954-55	1960-61	1954-55	1960-61	1954-55	1960-61
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. U. P.	283	400	9.03	10.4	12.0	21.1
2. Bombay	55	80	1.74	4.0	3.3	3.1
3. Punjab	40	50	.20	.90	3.2	3.2
4. Madras	29	45	.52	.90	2.0	2.8
5. Andhra	29	41	.65	1.00	2.0	2.4
6. Bihar	25	40	2.25	2.40	—	1.0
7. Hyderabad	18	23	.47	.80	1.1	1.1
8. Pepsu	12	15	.09	.30	.9	.9
9. West Bengal	12	18	.09	.25	.9	1.2
10. Orisa	10	10	.03	.10	.8	.7
11. Mysore	9	11	.48	.90	.2	—
12. Rajasthan	5	11	.11	.15	.3	.8
13. Madhya Bharat	3	4	.10	.10	.2	.3
14. Bhopal	0.5	1	0.04	.06	—	—
15. Assam	6	8	—	.10	.5	.6
16. Others	9.5	13	.05	.14***	.8	.9
	546.0	770	15.85	22.50	28.20	40.1

*** Ajmer, Pondichery and Travancore – Cochin.

MONTH END WHOLESALE MARKET PRICES OF RICE

(Rs. per maund)

District	Centre	Variety	Year	January	February	March	April	May	June	July	August	September	October	November	December
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
ANDHRA															
E. Godavari	Kakinada	Akkulu	1955	14 8	14 8	13 8‡	13 8	13 8	13 8	14 8	14 8‡	14 4‡	14 0‡		
			1954	17 0	17 0	17 0	14 15	14 8	15 0	15 8	15 8	15 0	15 0	15 8	15 0
Nellore	Nellore	Kesari	1955	19 0	19 0	15 0	12 4	11 13	12 5	12 5‡	12 6‡	12 8‡	12 12‡		
			1954	17 8	17 10	17 12	17 0	17 4	16 4	13 12§	13 12§	13 8§	15 12§	18 8◂	18 8◂
Krishna	Vijayawada	Kusam	1955	10 14 New	11 0	12 0 IINew	12 0	11 3	12 0	13 0§	14 8‡	13 8‡	14 0‡		
			1954	17 0	18 0	15 5	15 5	15 3	15 0	15 5	15 10	16 0	16 3	15 8	—
ASSAM															
Cachar	Hailkandi	Sali	1955	14 0	14 0	14 6‡	14 8‡	14 12‡	14 8‡	15 8‡	16 0‡	16 0‡	15 0‡		
			1954	21 0	20 0	24 0	21 8	25 0	22 8	22 0	20 0	19 8	15 0 (A)	14 0(A)	12 0(A)
Lakhimpur	Badat	Sali	1955	14 0	14 0	15 0‡	15 0‡	17 8	17 8	17 12‡	20 0‡	20 0‡	16 0		
			1954	17 0	17 12	17 8	17 0	16 0	18 0	18 8	18 8	18 0	18 0	18 0	17 0
Kanpur	Tohu	Aus	1955	14 0‡	16 8	17 2 S	18 8	17 8 S	17 8 S	17 8	18 0	18 0	16 0		
			1954	16 0	14 0	16 0	18 0	16 8	15 6	18 0 S	19 0 S	19 0 S	16 0	15 8	12 8
BIHAR															
Derbhanga	Jayanagar	Coarse	1955	13 8	16 0	14 14	14 0	14 0	16 0	17 0‡	18 8‡	14 0	15 0‡		
			1954	17 8	16 0	16 4	18 0	17 8	18 0	15 0	15 0	13 8	14 0	14 12	11 8
Gaya	Gaya	,,	1955	13 0	14 0	13 8‡	13 0‡	14 0	14 0	16 0‡	16 0‡	15 0‡	16 0‡		
			1954	16 0	14 12	15 0	16 0	14 0	14 0	14 0	14 8	13 0	14 8	13 4	13 0
Ranchi	Ranchi	,,	1955	12 8	13 8	13 8‡	13 8‡	13 8‡	14 8	15 8	16 8‡	14 0‡	14 0‡		
			1954	13 8	13 4	13 4	13 4	14 4	13 8	14 0	15 8	14 0	14 8	13 8	14 0
Santhal Parganas	Dumka	,,	1955	13 0	—	13 12	13 12	14 0	16 0	16 0	—	—	17 0		
			1954	14 8	13 0	13 4	13 8	12 14	12 8	12 12	14 2	13 4	13 8	11 0	11 8
Singbhum	Jamshedpur	,,	1955	16 0	16 8	16 4‡	15 12‡	16 4‡	16 0‡	16 12‡	17 8‡	17 0‡	16 0‡		
			1954	17 8	16 0	17 8	18 0	17 0	16 0	16 0	17 0	16 8	16 0	15 8	15 8

‡ : Relates to Friday Quotation
S : Sali
§ : Second Sort
(A) : Aus
◂ : First Sort

BOMBAY

Ratnagiri	Chiplun	Coarse No. 1	1955	17 0	16 0‡	16 0‡	16 0‡	16 0‡	16 0‡	16 0‡	16 0‡	16 0‡	16 0‡					
			1954	17 6†	17 0†	17 6†	17 6†	22 0	20 0	19 5	21 12	22 4	21 0	19 0	19 0			
Thana	Kalyan	Jada	1955	16 4	16 4	14 8	14 0‡	14 0‡	14 0	15 0	15 0‡	15 0‡	15 8‡					
			1954	26 1†	21 8†	21 8†	21 8†	20 0	19 0	18 0	20 0	20 0	18 0	16 0	16 8			
Belgaum	Kandgad	Inferior	1955	9 8	10 4	19 0‡	11 12‡	12 0‡	11 8‡	12 0‡	12 0‡	12 4‡	11 8‡					
			1954	20 4†	20 4†	20 4†	20 4†	20 0	20 0	13 0	15 0	16 0	16 0	13 0	11 0			

MADHYA PRADESH

Raipur	Raipur		1955	13 6	13 14	11 12	12 4	12 8	12 8	13 8	13 8	13 4‡	13 0‡					
			1954	15 10	15 4	14 6	15 2	15 0	14 2	15 6	16 4	15 12	14 10	14 2	13 12			
Targuja	Jagdalpur	Coarse (Hand Pounded)	1955	9 0	9 0	8 0	9 0	10 12	11 0	10 8	12 4	11 0	10 12‡					
			1954	9 0	8 12	9 0	9 8	9 8	10 8	11 0	11 4	12 8	11 0	9 0	9 0			
Nagpur	Nagpur	Coarse	1955	15 0	12 4	12 0	18 0	13 0	14 0	14 4	14 8	14 0	13 0					
			1954	17 4	17 0	17 0	16 4	16 8	15 8	15 8	16 8	16 8	15 8	15 0	15 8			

MADRAS

Tanjore	Kumba-konam	Samba	1955	14 1	13 14	14 0‡	14 0‡	13 8	13 8‡	15 0‡	14 12‡	14 0‡	13 12‡					
			1954	23 0	17 0	17 0	17 0	17 0	17 0	17 0	17 0	14 1	14 1	14 1	14 1			
Madras	Madras	Coarse	1955	13 5	13 1	13 4‡	13 8‡	14 10	13 6	14 4	14 14	14 12	14 8‡					
			1954	17 8	16 2	16 6	16 2	16 2	15 4	15 12	15 8	14 15	15 15	—	—			
Malabar	Kozhikode	Palaghat Coarse	1955	13 0	12 0	13 8‡	13 8	13 8	13 8	14 0	14 4	13 12‡	13 12‡					
			1954	23 0	23 8	25 0	24 0	22 0	18 8	17 8	16 0	15 8	15 8	15 8	15 4			
Tirunelvelli	Tirunelvelli	Sort II	1955	15 9	12 15	14 7‡	13 11‡	13 10‡	13 1‡	16 3‡	16 3‡	16 3‡	15 11‡					
			1954	18 8	16 0	16 0	15 8	15 8	16 0	17 0	17 0	—	—	—	—			

ORISSA

Balasore	Balasore	Common	1955	13 0	13 0	—	—	—	—	—	—	—	—					
			1954	13 0	13 0	13 0	12 12	13 12	13 4	11 0	18 0	13 0	13 0	13 0	13 6			
Sambalpur	Sambalpur	Mota	[illegible]	12 8	11 8	—	—	—	—	15 0 (a)	15 0 (a)		—					
			[illegible]	13 0	14 0	13 8	14 0	13 0	13 0	13 0	16 0	16 0	14 0	14 0	13 8§			
Koraput	Jaypore	Coarse	1955	9 8	8 12	10 0	10 8	11 0	11 0	11 12	13 0	11 4	12 8					
			1954	12 12	12 12	12 12	12 12	12 12	12 0	12 0	13 8	13 8	12 0	12 0	11 0			

† Controlled Rates. ‡ Relates to Friday Quotation. (a) Common variety. § II Sort.

MONTH-END WHOLESALE MARKET PRICES OF RICE—(*contd.*)

District	Centre	Variety	Year	January	February	March	April	May	June	July	August	September	October	November	December
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
PUNJAB															
Karnal	Karnal	Jhona	1955	13 8	14 0	13 2‡	13 8‡	13 9‡	14 4‡	15 5‡	15 12‡	14 8‡	16 8‡		
			1954	19 13†	19 13†	24 0	29 0	21 0	19 7	16 8	N.T.	N.T.	18 12	18 13	13 8
UTTAR PRADESH															
Musti	Nowgarh	III A	1955	12 8	11 4	11 8‡	12 8	12 12	14 10	14 12	16 0‡	13 4‡	13 8 (14-10.55)		
			1954	18 4	17 8	17 12	18 6	17 0	17 8	18 0	17 8	16 4	15 0	13 I	12 8
Kanpur	Kanpur	III A	1955	13 5	13 4‡	13 8‡	13 5	12 8	14 0	15 0‡	16 0‡	13 8‡	13 0‡		
			1954	20 0	17 12	18 8	18 4	17 12	17 12	18 4	17 12	17 4	14 8	13 0‡	12 8
Sahranpur	Sahranpur	IV A	1955	14 0	14 0‡	13 4‡	13 12‡	13 8	13 12‡	15 0‡	15 8‡	13 8‡	14 0‡		
			1954	19 0	19 0	22 0	22 0	17 0	16 2	17 8	17 0	17 8	16 8	13 0	13 0
Banaras	Banaras	III	1955	14 8	14 8	14 0‡	14 0‡	14 0‡	15 8‡	15 0‡	14 0‡	15 0‡	15 0‡		
			1954	19 0	18 0	18 0	19 0	16 8	16 0	16 0	16 8	18 4	18 4	16 0	14 0
WEST BENGAL															
Sirbhum	Sainthia	Coarse	1955	15 8	15 8	—	—	—	—	16 8‡	16 8‡	16 12‡	16 8‡		
			1954	15 0	14 0	14 0	15 10	15 10	15 8	14 8	15 8	15 8	15 0	14 8	13 0
West Dinajpur	Balurghat	Coarse	1955	12 8	13 0	—	—	—	—	16 0‡	17 0‡	16 0‡	18 8‡		
			1954	15 12	15 9	14 0	15 0	14 8	14 12	14 8	15 6	14 4	14 0	13 12	13 8
24-Parganas	Matianat	Aman	1955	—	—	—	—	—	—	16 2‡†	16 4‡†	16 8‡	16 12‡		
			1954	13 8	13 4	13 12	15 0	15 0	16 0	14 12	16 8	16 8	16 8	16 0	16 0
Midnapur	Contoi	Coarse	1955	14 8	15 0	15 0	15 0	15 0	16 0	16 4	16 0‡	15 8‡	16 0‡		
			1954	13 4	13 0	13 0	13 0	13 4	14 0	14 0	15 0	14 8	14 0	13 8	14 8
Howrah	Calcutta	Coarse	1955	16 2	16 0	15 8	15 0	16 6	17 8*	17 12*	17 8‡	17 8‡	17 8‡		
			1954	16 12†	16 12†	16 12†	16 12†	16 12†	16 12†	16 12†	17 12*	18 4*	16 4*	15 12*	15 8*
Cooch-Behar	Sadar	Coarse	1955	17 0	18 8	17 8	17 8	17 9	18 0	18 12‡	18 8‡	18 8‡	18 8‡		
			1954	18 8	17 0	16 0	19 2	17 4	16 12	17 8	21 0	21 12	18 12	17 8	17 0

† : Controlled rates.
* : Kalma.
‡ : Relates to Friday Quotation.
N. T. : No Transaction.

HYDERABAD																						
Nizamabad	Nizamabad	Mota	1955	11	10	10	7‡	10	13	11	10‡	12	8‡	12	15	14	8	14	5‡	14	7‡	13	5‡				
			1954	16	5	15	8	15	11	14	10	14	1	14	7	15	6	14	8	13	5	13	10	13	0	11	7
MYSORE																											
Shimoga	Shimoga	Medium	1955	10	0	10	3‡	10	11‡	11	0‡	11	6‡ (Big)	11	6‡ (big)	11	6‡ (big)	12	1‡ (big)	13	0‡ (big)	10	11‡ (big)				
			1954	14	6	14	6	14	6	15	6	15	11	15	11	16	1	15	11	15	11	15	11	12	10	12	10
TRAVANCORE COCHIN																											
Trivandrum	Trivandrum	Raw Fine	1955	16	8	14	12‡	15	2‡	16	12‡ (Coarse)	15	8 (Coarse)	14	8 Raw coarse	16	6‡ (boiled)	16	4‡ (big)	15	4‡	15	4‡				
			1954	28	8	23	8	24	12	24	0	23	8	23	8	19	8	N.Q.		N.Q.		17	8	16	4	16	4
COORG																											
Coorg	Mercara	Coarse	1955	12	5	13	3	15	6‡	14	8‡	15	6‡	14	15‡	15	6‡	16	2‡	16	11‡	16	11‡				
			1954	15	5	15	5	15	5	15	5	15	5	16	5	15	5	15	0	16	7	16	7	17	8	14	15
MANIPUR																											
Manipur	Imphal	Coarse	1955	5	0	5	4	5	0	5	4	5	8	5	0	4	12	4	12	5	0	3	12‡				
			1954	11	8	11	12	13	12	14	12	13	12	14	8	14	12	15	0	15	8	7	12‡	7	4	6	0
TRIPURA																											
Tripura	Agartala	Coarse	1955	11	8	10	13‡	11	0‡	11	12‡	11	8‡	11	0	12	8‡	15	13‡	13	13‡	12	13‡				
			1954	16	0	14	0	14	0	13	4	11	0	12	0	10	0	10	0	11	0	9	0	7	8	9	8
VINDHYA PRADESH																											
Shadol	Kotma	Coarse	1955	10	4	12	8‡	12	14‡	11	8‡	11	0‡	12	0‡	12	10‡	14	8‡	11	8‡	—					
			1954	12	8	12	8	13	0	13	8	13	8	13	8	12	12	12	12	12	12	11	6	11	7	11	0
MAIZE BIHAR																											
Bhagalpur	Naguachia	Yellow	1955	7	0	8	0	7	0‡	6	8‡	6	8‡	10	0‡	—		8	8‡	7	8‡	9	4‡				
			1954	13	0	15	0	12	0	12	0	12	0	11	0	10	8	10	0	6	8	7	0	6	8	7	0
BOMBAY																											
PanchMahals	Dohad	Budmoger	1955	5	15	5	10‡	5	12‡	5	14‡	6	0‡	6	12‡	8	8‡	8	0‡	6	12‡	7	11‡				
			1954	9	4†	9	4†	9	4†	9	4†	9	4†	7	8	8	0	7	8	7	0	5	0	6	0	6	8

‡ Relates to Friday Quotation. N.Q.: Not Quoted. † Controlled rates.

MONTH-END WHOLE SALE MARKET PRICES OF MAIZE, RAGI, WHEAT & BARLEY

(Rs. per maund.)

District	Centre	Variety	Year	January	February	March	April	May	June	July	August	September	October	November	December
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
PUNJAB															
Ludhiana	Ludhiana	Coarse	1955	8 2	7 4‡	6 4‡	6 4‡	6 8‡	8 0	8 4‡	9 8‡	9 2‡	8 12‡		
			1954	12 3	12 7‡	12 9	10 8	10 0	10 4	11 4	10 14	11 4	10 2	9 3	9 2
M. P.															
Bahraich	Bahraich	F. A. Q.	1955	7 6	7 8‡	7 0‡	6 14‡	7 0‡	7 0	7 12‡	8 0‡	8 0‡	8 4‡		
			1954	12 4	11 4	10 10	10 10	9 12	10 0	10 4	9 12	9 4	7 8	7 0	7 0
Moradabad	Chandausi	F. A. Q.	1955	6 12	6 4‡	5 8‡	5 0‡	5 0‡	6 4‡	7 4‡	7 0‡	7 0‡	8 0‡		
			1954	11 8	10 0	10 8	N. A.	N. A.	N. A.	N. A.	9 4	9 0	7 12	7 0	7 8
RAJASTHAN															
Bhilwara	Bhilwara	Local	1955	6 8	5 4	5 4‡	5 0‡	6 1‡	7 0‡	8 8‡	8 12‡	6 8‡	7 0‡		
			1954	9 12	8 4	8 4	8 12	8 8	7 4	8 10	8 0	6 0	5 0	5 0	6 12
HIMACHAL PRADESH															
Mandi	Mandi	Local	1955	10 8	10 0‡	9 0‡	9 8‡	9 4‡	9 4‡	10 12‡	10 0‡	8 8‡	9 0		
			1954	16 0	16 8	15 4	13 0	13 8	14 0	13 8	15 0	12 8	12 0	11 8	11 0
RAGI ANDHRA.															
Chittoor	Madanapalli		1955	8 0	8 0	8 0	—	7 0	7 0‡	8 0‡	7 8‡	7 0‡	—		
			1954	12 0	12 0	12 0	12 0	12 0	12 0	12 0	12 0	12 0	9 0	9 0	8 0
BOMBAY															
Nasik	Ghoti		1955	8 8	7 0‡	7 0‡	7 0‡	8 0‡	9 0‡	9 8‡	8 0‡	8 0‡	6 8‡		
			1954	11 4	10 0	11 0	11 0	8 12	8 12	8 12	8 0	8 0	7 0	7 0	7 0
MADRAS															
Salem	Salem		1955	8 8	8 5‡	8 4‡	—	8 4‡	—	9 0‡	9 2‡	—	9 2‡		
			1954	12 0	12 0	10 4	9 9	9 0	—	—	9 2	9 2	9 0	9 0	9 0
MYSORE															
Bangalore	Bangalore	2nd Sort	1955	8 10	7 12‡	7 14‡	7 0	7 0‡	7 0‡	8 8‡	7 8‡	6 12‡	6 6‡		
			1954	13 0	10 14	10 8	10 6	10 2	10 6	10 8	10 8	10 0	10 8	11 8	11 8

‡ : Relates to Friday Quotation.

WHEAT

BIHAR

Monghyr	Khagaria	Red	1955	15 0	10 0‡	13 4‡	11 0‡	9 8‡	11 0‡	11 6‡	12 4‡	12 0‡	12 0‡				
			1954	18 0	18 0	15 0	15 0	14 0	13 0	14 0	15 0	14 0	15 0	15 0		15 0	

BOMBAY

Bombay	Bombay	Imported	1955	10 9	11 14‡	12 0‡	12 4‡	12 4‡	12 14‡	14 7	15 0	14 0‡	14 7‡				
			1954	18 9†	18 9†	11 11	15 8	15 3	14 11	14 12	14 10	14 6	14 6	12 12		11 12	
Ahmedabad	Dhandhuka	Red	1955	12 0	12 0‡	10 0‡	10 0‡	10 8‡	11 0‡	12 4‡	14 0‡	12 8‡	12 8‡				
			1954	19 0	15 0	14 8	13 0	11 0	11 8	12 0	12 0	13 0	13 0	12 0		11 12	

MADHYA PRADESH

Sagar	Sagar	Sarabati	1955	12 12	12 12	11 8	9 8	10 0	10 0	10 12	11 12	11 4	12 4				
			1954	17 4	17 4	16 0	15 0	13 0	12 8	12 8	11 12	13 0	13 0	12 4		12 0	

MADRAS

Madras	Madras	Punjabi	1955	—	13 14‡	13 11‡	13 11‡	15 12‡	15 0	13 8	13 8	13 0	14 10				
			1954	17 3	19 1	19 1	19 1	19 3	17 5	17 15	17 15	17 15	17 15				

PUNJAB

Ferozepur	Moga	591	1955	14 4	13 8	13 0	10 8	11 0	12 6	13 0	12 8	12 9	13 0‡				
			1954	16 4	15 10	16 6	15 8	13 0	11 8	12 8	14 7	14 0	14 6	14 0		14 0	
	Abohar	Coarse	1955	14 8	13 8‡	12 4‡	10 12‡	10 2‡	11 2‡	11 2‡	12 1‡	11 3‡	12 4‡				
			1954	16 4	15 4	16 4	15 8	12 10	10 15	11 14	14 2	13 4	14 0	14 0		14 12	

UTTAR PRADESH

Kanpur	Kanpur	Deshi	1955	15 0	13 2‡	12 5‡	10 8‡	8 8‡	9 8‡	10 4‡	11 8‡	11 0‡	12 0‡				
			1954	17 8	15 12	14 3	15 3	13 14	11 0	12 5	12 5	11 13	11 6	11 0		11 6	
Meerut	Hapur	F. A. Q.	1955	13 6	14 0	11 14	9 2	9 10	10 12	11 11	11 8	11 2	12 8				
			1954	16 4	16 4	15 8	15 0	14 8	12 8	12 8	12 12	12 10	12 12	12 4		13 6	
Moradabad	Chandausi	F. A. Q.	1955	13 12	13 8‡	12 0‡	9 8‡	9 12‡	10 12‡	11 8‡	11 8‡	11 4	12 6				
			1954	17 10	15 12	15 8	14 12	13 10	11 0	13 0	12 8	12 13	12 8	12 4		14 0	
Bahraich	Bahraich Desi	F. A. Q.	1955	14 0	15 6‡	13 4‡	91 2‡	9 12‡	9 14‡	10 4‡	11 4‡	10 12‡	11 8‡				
			1954	15 4	14 8	14 12	15 8	12 8	11 4	12 8	12 8	12 0	12 0	11 4		12 8	

WEST BENGAL

Calcutta	Calcutta	Red	1955	16 0	14 4	13 12	12 0	12 6‡	12 12‡	13 12‡	14 8‡	14 8‡	14 0‡				
			1954	18 4†	18 4†	18 4†	18 4†	16 0	17 8	14 12	14 15	N. T.	18 4	15 12		17 8	

‡ : Relates to Friday Quotation. † : Controlled rates. N. T. : No Transaction.

MONTH-END WHOLE SALE MARKET PRICES OF MAIZE, RAGI, WHEAT & BARLEY—(*contd.*)

(Rs. per maund.)

District	Centre	Variety	Year	January	February	March	April	May	June	July	August	September	October	November	December
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
							P. E. P. S. U.								
Sangar	Barnala	No. 2.	1955	12 12	12 4‡	10 12‡	9 8‡	9 4‡	10 0‡	11 4‡	11 4‡	10 8‡	11 12‡		
			1954	14 10	14 13	14 13	13 8	10 12	9 8	10 6	13 4	12 4	13 0	12 12	12 12
							RAJASTHAN								
Kota	Kota	Red	1955	12 4	11 4‡	10 0‡	7 0‡	8 0‡	9 0‡	11 0‡	11 0‡	10 6‡	11 0	(7-10-55)	
			1954	12 13	11 1	11 2	11 6	11 0	10 0	11 0	11 15	11 8	12 8	11 0	11 8
							SAURASHTRA								
Madhya Saurashtra	Rajkot	Red	1955	12 0	10 8‡	10 0‡	10 8‡	11 0‡	12 8‡	14 0‡	16 0‡	14 8‡	16 0‡		
			1954	17 0	15 0	14 0	15 0	12 0	12 0	12 8	12 0	13 0	13 0	13 0	14 0
							BHOPAL								
Bhopal	Bhopal	Kathia	1955	12 0	14 0‡	12 0‡	9 8‡	8 8‡	10 2‡	10 15‡	10 8‡	11 9‡	12 0‡		
			1954	14 0	14 6	12 15	12 0	11 0	14 4	12 0	—	12 11	13 0	11 8	11 4
							DELHI								
Delhi	Delhi	Inferior	1955	14 0	13 12‡	11 0‡	10 0‡	10 0‡	10 0‡	11 0‡	11 6‡	11 0‡	13 0‡		
			1954	§15 12†	15 10†	14 8§	12 8§	11 0§	10 12§	11 8	14 0	13 0	13 0	12 8	13 4
							VINDHYA PRADESH								
Rewa	Rewa	Coarse	1955	14 0	14 9‡	13 6‡	10 0‡	10 0‡	10 0‡	—	12 5‡	11 7‡	12 0‡		
			1954	17 0	13 0	18 0	15 0	13 0	12 0	12 0	11 0	11 0	10 0	8 0	10 0
							BIHAR (BARLEY)								
Champaran	Motihari	—	1955	8 0	8 0	8 0	8 0	7 8	7 8	9 0	9 0‡	8 8‡	9 0‡		
			1954	10 0	10 0	10 0	10 0	9 4	9 0	10 0	10 0	10 0	9 0	8 0	7 0
							PUNJAB								
Ferozepur	Moga	Coarse	1955	N.Q.	N.Q.	N.Q.	4 4	5 6	6 4	6 6	6 8	6 0	6 8		
			1954	—	—	—	9 0	7 10	6 12	7 12	8 4	8 8	8 8	6 12	6 8

‡ : Relate to Friday Quotations. § : Imported. † : Controlled rates. N. Q. : Not Quoted.

UTTER PRADESH

Jaunpur	Jaunpur	—	1955	9 0	7 12‡	7 0	7 0	6 8‡	7 0‡	9 4‡	8 10‡	8 8‡	8 12‡				
			1954	13 4	11 0	11 0	11 0	11 4	9 8	9 12	9 12	N.Q.	9 4	8 12		6 6	
Meerut	Hapur	F.A.Q.	1955	6 8	6 6‡	5 2‡	5 2	5 8	6 4	7 0	6 8	6 0	7 0				
			1954	10 8	9 8	9 10	9 0	7 12	7 4	8 10	7 2	7 8	7 2	6 14		6 12	

RAJASTHAN

Jaipur	Jaipur	—	1955	6 11	5 3	5 4	5 8	5 12	6 7	7 10‡	7 0‡	7 2‡	7 3‡				
			1954	10 0	9 11	11 7	9 0	8 7	8 5	8 7	10 0	8 10	8 0	7 7		7 0	

BIHAR

Patna	Patna	...	1955	9 0	9 8‡	9 0‡	8 0	8 0	8 0	9 8‡	10 0‡	8 0‡	10 0‡				
			1954	15 9	13 0	13 0	13 0	12 0	10 0	11 0	11 0	10 8	10 0	8 8		8 0	

BOMBAY

Panch Mahals	Dohad	...	1955	8 0	7 4	6 8	5 8	6 0	7 8	8 10‡	8 6‡	8 7‡	9 0§				
			1954	16 0	15 0	12 6	12 12	11 0	10 0	10 8	9 8	11 0	10 0	8 8		8 4	

MADHYA PRADESH

Hoshanga-bad	Hoshanga-bad	...	1955	7 8	7 0	6 4	5 0	5 0	6 8	7 0	7 4	9 0	9 12				
			1954	16 0	15 8	12 6	11 8	9 0	10 0	9 0	9 0	8 0	8 0	7 0		7 0	

PUNJAB

Hissar	Hansi	...	1955	7 4	6 8	6 4	5 7	5 12	6 0‡	7 4‡	6 12‡	6 7‡	7 8‡				
			1954	13 0	13 0	12 4	11 4	10 0	8 6	9 3	10 6	9 6	8 10	7 8		7 5	
Rohtak	Rohtak	...	1955	6 8	6 8	6 0	5 6	5 14	6 0	7 4	6 12	6 6	7 8				
			1954	14 0	12 8	12 8	12 8	10 4	7 12	9 3	10 4	9 5	8 8	8 4		7 10	

UTTAR PRADESH

Bahraich	Bahraich	...	1955	6 8	6 8	5 12	6 0	5 12	6 8‡	6 12‡	7 8‡	7 0‡	7 8‡				
			1954	11 0	11 0	10 12	10 0	9 8	8 0	8 2	8 6	7 8	6 11	6 4		6 4	
Kanpur	Kanpur	....	1955	7 10	6 6	6 2	6 4	6 4	7 8‡	8 0‡	—	8 0‡	8 8‡				
			1954	13 8	11 7	12 5	11 8	9 11	8 11	9 4	9 2	9 0	8 6	8 0		7 4	
Meerut	Hapur	...	1955	7 12	7 0	6 14	6 6	6 10	7 8	8 4	8 0	7 4	8 8				
			1954	13 12	10 0	11 0	12 8	11 0	9 8	9 10	9 8	9 12	9 0	8 8		8 0	

‡ Relates to Friday Quotation.

MONTH-END WHOLE SALE MARKET PRICES OF MAIZE, RAGI, WHEAT & BARLEY—(*contd.*)

(Rs. per maund)

District	Centre	Variety	Year	January	February	March	April	May	June	July	August	September	October	November	December
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
WEST BENGAL															
Calcutta	Calcutta	...	1955	7 12	8 8	6 4	6 4	6 8	7 10	8 12‡	8 10‡	8 0 ‡	9 0‡		
			1954	14 0	12 0	11 8	12 4	10 8	8 12	9 0	9 2	9 8	8 12	7 0	7 0
MADHYA BHARAT															
Bhind	Bhind	...	1955	6 0	6 8	6 10‡	5 4	5 8	9 0	8 0	8 0	6 10	7 13‡		
			1954	12 0	11 0	—	11 7	—	9 8	9 0	7 8	9 2	9 10	7 8	6 10
P.E.P.S.U.															
Sangrur	Barnala	...	1955	6 8	6 8‡	4 12‡	5 0	5 9	6 8	7 0‡	6 2‡	5 14‡	7 0†		
			1954	—	—	—	—	—	—	—	—	—	8 4	6 12	7 4
Patiala	Patiala	...	1955	6 14	6 8‡	5 14‡	5 7	5 14	6 7	7 7‡	6 15‡	6 10‡	7 11‡		
RAJASTHAN															
Ganganagar	Ganganagar	...	1955	7 0‡	7 6‡	5 8‡	5 2	5 6‡	5 8‡	6 14‡	6 12‡	5 14‡	5 12‡	—	—
			1954	15 0	13 2	12 12	—	—	—	—	—	—	—		
VINDHYA PRADESH															
Datia	Datai	...	1955	6 6‡	6 4‡	6 0‡	5 0	5 0	6 6	6 12‡	6 14‡	6 5‡	7 4‡	(14-10-55)	
			1954	—	—	9 8	11 8	—	—	10 0	9 8	11 0	8 0	8 8	7 0
JOWAR ANDHRA															
Kurnool	Nandyal	Yellow	1955	8 0	6 12	6 6	7 0‡	6 0	5 12	6 0‡	6 4‡	6 0‡	6 0†		
			1954	11 12	11 12	11 0	11 8	11 8	10 8	9 8	10 4	10 0	10 0	9 0	8 0
BOMBAY															
Dharwar	Hubli	Local	1955	6 8	7 0‡	7 0‡	6 4‡	6 0	6 0	7 8‡	7 8‡	7 8‡	7 8		
			1954	11 9†	11 9†	11 9†	14 8	14 0		11 0	11 0	11 8	12 8	10 0	8 0

‡: Relates to Friday Quotation. †: Controlled rates.

BOMBAY

Sholapur	Mohal	Local	1955	10	8	6	0‡	6	0‡	5	8‡	5	14	6	12	7	8	7	8	7	8	7	8				
			1954	14	6†	14	6†	13	5	12	8	11	0	11	8	11	8	10	0	7	4	11	0	12	0	11	0
Surat	Surat	Local	1955	8	4	8	8‡	9	0‡	9	8‡	9	8‡	10	0	10	8‡	10	0‡	10	0‡	10	0‡				
			1954	12	8†	12	8†	12	8†	12	8†	11	4†	11	4†	11	4	10	0	10	0	10	0	9	4	9	8

MADHYA PRADESH

Akola	Akola	Yellow	1955	6	0	5	4	5	4	5	4	5	8	6	4	6	4	6	0	6	0	7	8				
			1954	10	6	9	12	10	14	10	4	9	0	8	0	8	0	8	8	7	8	7	0	7	0	6	8
Nagpur	Nagpur	Yellow	1955	7	0	6	8	5	6	5	0	5	8	7	0	7	0	7	0	7	0	7	0	8	8		
			1954	11	4	10	0	11	0	11	0	9	8	9	4	10	0	8	4	8	0	8	0	8	0	8	0

MADRAS

Coimbatore	Coimbatore	White	1955	10	3	10	3	8	3	7	4	7	8	7	8	8	6‡	8	8‡	8	8‡	8	0	14—10—1955			
			1954	12	8	11	9	13	4	13	0	13	4	11	4	N. S.		N. S.		N. S.		N. S.		N. S.		11	0

PUNJAB

Rohtak	Rohtak	Yellow	1955	4	8 Red	4	8 Red	6	0‡	6	0	6	0	6	8	4	0	4	0‡	4	0‡	4	0‡				
			1954	8	0	7	0	7	0	6	8	4	10	6	4	5	4	7	0	6	8	6	0	5	8	5	0

UTTAR PRADESH

Jhansi	Jhansi	Yellow	1955	5	0	5	11	5	1	4	8	4	10	5	6	5	8	6	4	6	3	6	6				
			1954	11	3	10	5	10	0	10	0	9	2	8	14	9	7	7	4	7	7	7	2	5	8	5	15

HYDERABAD

Hyderabad	Hyderabad	Yellow	1955	6	11	6	0	5	12‡	6	3	5	12	6	4	7	0	7	0	5	5‡	6	4‡				
			1954	10	0	9	6	9	0	9	0	9	9	9	6	10	4	9	0	9	3	7	8	7	11	7	4
Gulbarga	Gulbarga	White	1955	12	0	6	13‡	5	0‡	5	11‡	6	1‡	7	0‡	7	3‡	7	15‡	7	15‡	7	11				
			1954	16	10	15	8	13	8	14	10	14	10	14	10			12	10	12	0	12	0	12	0	11	0

MADHYA BHARAT

Ujjain	Ujjain	Yellow	1955	5	7	5	8‡	5	0‡	4	8‡	5	0‡	5	0	7	0‡	6	0‡	6	10	6	0‡				
			1954	8	0	8	0	10	8	12	0	7	0	7	0	8	0	5	8	5	8	5	12	5	0	6	0

†;—Controlled rates. ‡:—Relates to Friday Quotation. N. S:—No Stock.

MONTH-END WHOLE SALE MARKET PRICES OF MAIZE, RAGI, WHEAT & BARLEY

(Rs. per maund.)

District	Centre	Variety	Year	January	February	March	April	May	June	July	August	September	October	November	December
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
						MYSORE									
Bellary	Hospet	Yellow	1955	7 0	7 2‡	6 14‡	6 11‡	6 5‡	6 8‡	7 8‡	7 1‡	6 8‡	7 2‡		
			1954	13 7	13 14	13 15	13 15	12 13	12 14	12 12	10 14	9 8	11 13	11 13	11 13
						RAJASTHAN									
Jhalawar	Jhalawar	Yellow	1955	5 0	4 4‡	4 8‡	3 12‡	4 8‡	6 0‡	5 12‡	4 12‡	5 8‡	7 4‡		
			1954	10 0	8 14	8 0	8 0	8 0	8 0	8 0	7 4	6 4	6 12	5 12	5 12
						BAJRA ANDHRA									
Visakha-patnam	Anakapalli		1955	7 0	7 0	7 0	7 0	6 8‡	6 8‡	8 0	7 0	7 0	7 0‡		
			1954	13 0	14 0	14 0						9 0	9 0	9 0	9 0
						BOMBAY									
Ahmednagar	Ahmednagar	Medium	1955	9 8	8 8‡	8 8‡	8 8‡	8 0‡	—	11 0	11 0	11 0‡	11 0		
			1954	19 4	19 4	16 0	12 8	10 8	10 8	10 8	10 0	10 0	9 8‡	10 8	11 0
						MADRAS									
Coimbatore	Coimbatore		1955	8 5	8 5	7 3	7 3	N. S.	N. S.	N. S.	N. A.	N. A.	N. A.		
			1954	11 0	10 9	10 8	—	10 0	9 0	N. S.	N. S.	N. S.	N. S.	N. S.	10 15
						PUNJAB									
Hisar	Hisar	Coarse	1955	8 8	8 0‡	6 8‡	6 0‡	7 6	9 0‡	9 8‡	8 8	6 10	8 0‡		
			1954	10 3	8 8	9 7	8 12	7 12	7 8	8 0	10 12	9 4	9 0	9 4	8 12
						UTTAR PRADESH									
Agra	Agra		1955	7 8	6 12	6 6	6 0‡	N.Q.	8 8‡	9 12‡	9 8	7 10	8 8‡		
			1954	12 8	10 12	10 8	11 0	9 12	9 0	9 8	9 10	9 4	8 6	7 8	7 8
						P. E P. S. U.									
Sangrur	Barnala		1955	8 0	6 8	6 0	6 8†	6 0‡	7 2‡	7 6‡	7 0‡	N. A.	7 8		
			1954	10 8	9 0	9 8	9 0	8 8	8 0	8 0	7 12	9 0	8 0	8 12	8 6

‡ Relates to Friday Quotation. N. S : No Stock. N. Q: Not Quoted. N. A: Not Available.

RAJASTHAN

Jodhpur	Jodhpur	Local	1955	7 4	8 0	—	—	7 10‡	7 6‡	9 8‡	9 7‡	9 3‡	9 14	—	—
			1954	11 2	8 0	8 12	8 4	6 7	7 2	8 0	8 0	8 0	7 0	7 8	—

SAURASHTRA

Rajkot	Rajkot	Desi	1955	11 0	10 8‡	10 8‡	10 0‡	11 8‡	12 8‡	15 8‡	14 8‡	12 8‡	15 0(New)	—	—
			1954	15 0	15 0	14 0	15 0	12 0	12 0	12 0	11 0	10 8	12 0	10 0	10 0

GRAM (Split)

Patna	...	...	1955	13 0	13 0	12 14	11 0	10 0	8 0	11 0	11 8‡	11 0	12 0	—	—
			1954	22 0	17 8	16 8	18 8	19 0	14 0	17 0	—	16 0	14 0	11 0	11 8
Bombay	...	...	1955	11 11	12 12	12 14	12 12	13 1	13 8	12 3	10 9‡	11 4	12 10	—	—
			1954	18 14	20 0	18 14	18 15	14 7	16 11	16 2	16 2	16 2	16 2	13 10	12 4
Madras	...	...	1955	12 7	11 10‡	11 3‡	10 4‡	10 1‡	13 10‡	12 7‡	12 4	10 14	11 10	—	—
			1954	19 1	16 1	16 7	16 1	15 4	12 14	13 7	13 7	13 10	13 10	13 1	12 4
Calcutta	...	...	1955	11 8	9 8	11 0	10 8	10 0	11 0	11 0	12 0	11 4‡	—	—	—
			1954	18 0	16 8	17 0	18 0	15 0	12 0	13 8	15 0	14 8	13 0	11 0	11 0

ARHAR (Split)

Patna	...	...	1955	11 8	12 0	12 0	10 0	10 0	10 8	13 0	13 4	13 0	15 0	—	—
			1954	17 0	16 0	15 0	17 8	15 0	13 8	13 0	12 4	13 0	13 14	12 0	11 0
Bombay	...	...	1955	14 9	14 12	15 10	15 6	15 4	16 2	N.Q.	14 7	11 13‡	22 0	—	—
			1954	21 2	20 9	22 4	20 4	16 14	18 5	17 13	17 4	17 4	16 11	16 11	15 4
Madras	...	...	1955	12 14	14 1‡	13 7‡	12 1‡	12 14‡	15 4‡	16 1‡	16 14‡	16 1‡	18 7	—	—
			1954	17 4	17 14	13 10	14 14	15 4	14 14	15 4	14 1	13 4	12 14	12 14	12 1
Kanpur	...	...	1955	10 8	10 2‡	10 8‡	9 8‡	9 8‡	11 0‡	11 8‡	12 4‡	12 8‡	17 0	—	—
			1954	15 0	13 8	14 0	14 0	13 0	12 1	12 8	11 8	11 13	13 0	11 0	10 8
Calcutta (big)	...	...	1955	12 0	12 0	12 0	11 8	13 0	12 0	16 0‡	17 8‡	15 8	18 8	—	—
			1954	20 0	18 0	18 0	19 0	17 0	16 0	14 0	15 0	15 0	13 8	12 0	14 0

MUNG (Split)

Patna	...	...	1955	14 0	13 0	12 0	11 8	11 0	13 0	18 0	17 0	17 8	19 0		
			1954	23 0	20 0	20 0	21 0	20 0	20 0	20 0	19 0	18 0	18 0	10 0	14 0

‡ Relates to first week of September ‡ Relates to Friday Quotation. N. Q. Not Queted.

MONTH-END WHOLESALE MARKET PRICES OF MAIZE, RAGI, WHEAT & BARLEY—(*contd*.) (Rs. per mand).

District	Centre	Variety	Year	January	February	March	April	May	June	July	August	September	October	November	December
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
						MUNG (Split)									
Bombay	...	...	1955	17 9	19 7	20 2	19 2	20 4	21 5	N.Q.	14 7	17 13‡	22 0		
			1954	21 2	21 11	23 6	25 9	21 2	21 2	21 11	17 8	17 13	16 2	17 12	18 14
Calcutta (ordinary)	...	...	1955	11 8	11 0	10 8	11 8	13 0	16 8	15 12	15 8	14 8‡	17 12		
			1954	18 0	18 0	20 0	20 0	18 0	16 8	16 10	16 8	15 0	13 8	12 0	12 0
Madras	...	...	1955	14 7	14 7‡	13 6‡	12 14‡	12 14‡	15 4‡	16 1‡	15 4‡	13 10	14 7		
			1954	20 1	19 4	17 14	18 7	18 5	16 7	17 11	15 10	14 7	14 7	13 10	13 4
Kanpur	...	...	1955	11 0	9 10‡	9 14‡	9 8‡	9 8‡	10 4‡	12 4‡	13 0‡	—	17 0		
			1954	16 0	14 4	15 0	16 0	14 8	14 8	15 3	14 3	14 3	13 0	11 8	10 8
						MASUR (Split)									
Patna	...	...	1955	9 4	10 0	9 8	9 8	9 0	9 12	12 8	13 8	13 8	15 0		
			1954	15 8	13 8	12 8	14 8	14 0	13 12	12 8	11 8	12 8	11 8	9 8	9 4
Bombay	...	...	1955	13 5	13 5	15 11	14 3	13 10	14 9	16 2	16 11‡	16 5‡	19 4		
			1954	18 1	20 0	18 5	22 3	15 0	17 4	15 13	16 14	16 11	17 8	13 14	13 5
Kanpur	...	...	1955	11 0	10 4‡	10 10‡	10 0‡	9 8‡	11 8‡	11 8‡	12 8‡	13 0‡	18 0		
			1954	18 8	15 8	15 0	16 8	14 8	14 8	14 3	13 14	13 14	13 15	11 8	11 0
Calcutta (big)	...	...	1955	10 0	11 8	11 0	10 0	11 0	12 0	14 8	14 4‡	14 12‡	15 12		
			1954	17 0	17 8	16 0	19 0	15 0	13 0	13 0	12 8	12 8	12 0	11 0	12 8
						URAD (Split)									
Patna	...	...	1955	14 0	14 0	13 0	14 0	13 0	15 0	17 0	17 0	16 0	17 0		
			1954	23 0	21 0	21 0	21 0	24 0	21 0	20 0	18 8	19 0	18 0	14 15	14 0
Bombay	...	...	1955	24 7	21 2	24 12	24 9	24 2	23 5	N.Q.	19 6‡	21 2	25 2		
			1954	26 2	26 2	27 4	27 13	27 4	22 13	22 4	22 4	21 11	22 12	22 12	25 9
Madras	...	...	1955	17 11	17 4‡	17 4‡	15 4‡	15 4‡	17 11	16 14‡	17 11‡	17 11‡	19 4		
			1954	19 6	18 10	19 6	19 6	18 7	19 5	20 8	19 4	18 8	10 7	17 4	17 4
Kanpur	...	...	1955	10 8	10 12‡	11 2‡	11 0‡	13 1‡	14 8‡	14 0‡	14 12‡	14 12‡	—		
			1954	17 12	16 0	16 0	17 0	15 0	14 8	15 3	14 8	14 8	13 5	12 8	11 0

‡ : Relates to Friday Quotation. N. Q : Not Quoted.

SUGAR.

Q: 1. On an average 10 maunds of sugarcane is utilised to produce 1 maund of crystal sugar. The actual quantity of sugarcane crushed to produce crystal sugar during 1953-54 and 1954-55 is as follows :—

Year November to October	Cane crushed (000 tons)	Sugar produced (000 tons)	Percentage recovery of sugar from cane
1953-54	9,932·7	1,000·5	10·07
1954 55* (upto 31st July 1955)	15,943·9	1,583·1	9·93

* Provisional.

Q: 2. Production of Sugar in India.

Year November to October	Sugar Production direct from cane (000 tons)
1938-39	642·2
1947-48	1,207·0
1953-54	1,000·5
1954-55	1,583·1* (Upto 31st July 1955)

* Provisional.

Q: 7. (a). Prices of Principal raw materials.

Year November to October	Minimum prices of sugar cane (Rs. per maund)
1938-39	0 6 10
1947-45	2 0 0
1954-55	1 7 0 (for Gate delivery)
	1 5 0 (At Rail centres)

(b). Average prices of finished products.

Year Novembr to October	Prices of Sugar (Rs. per maund)			
	Kanpur	Patna	Calcutta	Bombay
1938-39	10 9 2	11 5 6	11 6 0	11 2 5
1947-48	35 12 8 (a)	34 2 7	37 10 0	37 11 5 (b)
1954-55	30 8 9	31 5 4	31 3 11	32 3 10

(a) Averages for 9 months.
(b) Average for 11 months.

Indian Central Oilseeds Committee,

New Delhi.

PART I-A.

Q : 1. It appears that while the freight on standard telescopic wagon loads for oil seeds were lower on Group II Railways, there was no such difference in the freights of oil moved by either of the Railways, Group I or Group II. The object of fixing a lower rate for Group II Railways is not known to us. Neither have we any information regarding the revision nor the reason for it. It is apparent, however, that the raising of the rates on these Railways to the level of Group I Railways would have affected the oilmilling industry in such areas served by these Railways, as were deficit and had to depend on other producing surplus areas for the supply of seeds. Among the Group II Rail-

ways, Assam, Eastern Punjab, Eastern India and Oudh & Tirhut Railways were to be included. The majority of the areas served by these Railways were deficit areas.

The Indian Railways have since been grouped on a zonal basis. It is not known to us how far these groupings have affected the Railways classified as Group I and Group II. Presumably, the proposal of raising lower freight rates on Group II Railways to the level of Group I Railways was with a view to the unification of the freight rates in all the regrouped Railways.

Q : 21. Wherever alternative modes of transport are available these should be taken advantage of, to reduce unnecessary strain on Rail Transport. In this connection the suggestion at 21(b) should be also given effect to.

Q : 37. At the recommendation of the Committee, a number of steps had already been taken for the protection of ghani industry and with this object in view it was recommended to the Government of India that the freight rate of oilseeds should be so fixed as to discourage the movement of oilseeds in order that the village oil industry in the producing areas is not adversely affected by the export of an unduly large quantity of its raw material. So long as this object is achieved, the Committee is not opposed to any exception with regard to freight rates that may be made in favour of oilmills in the deficit areas, as the policy of the Committee is to rationalise the power oilseeds crushing industry and develop the ghani industry at the same time, so that both of them may flourish.

Q : 40. The position regarding movement of oil in bulk and avilability of tank wagons on the Indian Railway had been reviewed by the Committee from time to time and suitable recommendations made to the Ministry of Railways (Railway Board). At its meeting held in March, 1954, the Committee reviewed the position regarding the avilability of tank wagons for vegetable oil traffic and observed that the present ratio between petroleum tank wagons and vegetable oil tank wagons, was about 5:1. In view of the high volume of vegetable oil traffic on Railways, it recommended that more tank wagons should be allotted for vegetable oil traffic on the different Railways by revising the existing ratio of allotment of tank wagons for petroleum and vegetable oil traffic. The Committee had also recommended that if the back loading of mineral oil tank wagons could be allowed, the prosent difficulty would be eased to a certain extent. The Ministry of Railways who were moved in the matter had intimated that there were 352 tank wagons (314 Broad Gauge and 38 Metre Gauge) allotted for the movement of vegetable oils in bulk. They themselves felt that the number of tank wagons available for the movement of vegetable oils were not adequate. About 400 B. G. and 100 M. G. tank wagons already on order for vegetable oil traffic, were scheduled for delivery by September, 1955.

At its meeting held in April, 1955, the Committee after reviewing the position observed that tank wagons available for the movement of vegetable oils were not sufficient in relation to the demand for the vegetable oil traffic. It had, therefore, recommended that the Railway Board should again be moved to allot more tank wagons for vegetable oil traffic on the different Railway by revising the existing ratio of allotment of tank wagons between petroleum and vegetable oil traffic. It had further recommended that the very unsatisfactory condition on the Bombay-Deccan tracts of Southern Railway in regard to the shortage of wagons for the movement of vegetable oil might also be brought to the notice of the Railway Board. The Committee at its meeting held in October, 1955 reiterated its earlier recommendations that the Ministry of Railways be moved to allot more tank wagons for the movement of vegetable oils. The reply of the Government of India who were moved accordingly is still awaited.

TRANSPORT.

The question of Transport has been one of the vital problems facing the oil milling industry, as it concerns the movements of raw materials for oil mills i.e. oilseeds, as well as the manufactured product and bye-product viz., oil and oilcake respectively. The crushing industry is located in various parts of the country and this necessitates adequate supply of wagons and tank wagons for movements of oilseeds and oilcakes and oils on different Railways in the country. Complaints are being received from various oilmills concerned from time to time about shortage of wagons for the movement of oilseeds and tank wagons for the movement of oils. The shortage of wagons etc. results in dwindling the crushing capacity, blocking up of capital, deterioration of quality of goods stocked up, and financial losses etc. It is, therefore, of paramount importance for the crushing industry to secure adequate and regular supply of (i) wagons for procuring oilseed for crushing and (ii) tank wagons and wagons for movements of oils and oilcake respectively in order to achieve efficiency and economy.

Movements of oil in barrels entail considerable wastage and loss owing to leakage in transit and besides they also prove costlier when compared to bulk movements in tank wagons. The export trade of the country in respect of oils and oil cakes is also rapidly improving and as such it is most imperative that adequate supply of wagons and tank wagons is arranged by the Ministry of Railways.

PART I-B.

ANNEXURE V & VIII.

Q: 1. Estimates of the Oil seeds production in India and the quantities of seeds utilised for extraction of oils. (The Upper figures in each row indicate the total yield and the lower figures, inside the brackets, show the quantities used for oil extraction.)

(In Thousand Tons)

Crop	1938—39	1947—48	1950—51	1951—52	1952—53	1953—54	1954 - 55
Groundnut ...	3,145	3,411	3,426	3,142	2,883	3,573	3,823
	(1,678)	(1,819)	(1,827)	(1,676)	(1,538)	(1,906)	(2,039)
Castor	114	118	103	106	102	108	112
	(79)	(81)	(71)	(73)	(70)	(75)	(77)
Sesamum	392	351	438	445	464	552	592
	(305)	(273)	(340)	(346)	(361)	(429)	(460)
Rape & Mustard ...	733	806	750	928	844	855)	962
	(650)	(715)	(665)	(823)	(749)	(758)	(853)
Linseed	428	431	361	323	366	374	388
	(319)	(322)	(269)	(245)	(273)	(279)	(289)
Total ...	4,812	5,117	5,078	4,949	4,659	5,462	5,877
	(3,031)	(3,210)	(3,172)	(3,163)	(2,991)	(3447)	(3,718)

ANNEXURE V.

Q: 2. Estimates of Production of the different Oils in India.

(In Thousand Tons)

Name of the Oil.	1938—39	1947—48	1950—51	1951—52	1952—53	1953—54	1954—55
Groundnut Oil	366	728	731	670	615	762	816
Castor Oil	27	30	26	27	26	28	29
Sesamum Oil	118	109	136	138	144	172	184
Rape & Mustard Oil	216	238	222	274	249	253	284
Linseed Oil	32	107	90	81	91	93	96
Total	759	1,212	1,205	1,190	1,125	1,308	1,409

Q: 7. (b) AVERAGE ANNUAL WHOLESALE PRICES OF DIFFERENT OILSEEDS AT BOMBAY MARKET.

(*per maund.*)

Year.	Seed.	Oil.	Cake.
	Rs. a. p.	Rs. a. p.	Rs. a. p.
GROUNDNUT.			
1938—39	5 3 3	11 5 6	...
1947—48	22 12 8	54 7 0	3 3 11
LINSEED.			
1938—39	5 8 2	11 8 11	—
1947—48	15 7 1	55 8 0	6 4 6
RAPE & MUSTARD.			
1938—39	6 1 11	12 9 0	—
1947—48	21 8 3	68 6 0	—
SESAMUM.			
1938—39	6 1 8	—	—
1947—48	30 15 9	67 7 4	—
CASTOR.			
1938—39	4 15 1	10 11 3	—
1947—48	23 11 8	—	—

Detailed monthly prices of oilseeds, oils and oil-cakes may please be seen in the statement attached.

AVERAGE MONTHLY WHOLESALE PRICES OF OIL SEEDS IN INDIA

(In Rupees per Standard maund of 82-2/7 lbs.)

	April 1954	May 1954	June 1954	July 1954	August 1954	September 1954	October 1954	November 1954	December 1954	January 1955	February 1955	March 1955
GROUNDNUT												
Bombay: Bold—Kernel	26 7 0	25 7 9	23 1 3	22 7 5	19 11 9	18 14 0	18 1 5	17 8 3	17 0 3	15 8 5	15 9 4	15 6 0
Coromandel	27 0 0	26 2 7	23 10 9	23 1 9	20 3 6	19 13 6	18 10 0	17 10 3	17 5 3	15 5 0	15 13 0	15 7 8
Madras: Coromandel-Kernel	24 15 0	23 8 7	21 14 9	21 10 2	19 2 9	18 9 6	17 8 9	16 11 3	17 9 0	14 15 8	15 5 6	14 11 0
Hyderabad: Small—Kernel	26 1 9	26 11 6	24 8 5	22 8 1	21 5 2	18 11 9	19 1 7	17 9 11	16 8 8	16 1 10	15 3 9	11 11 4
Guntur/Vizayawada			Nom.	N. Q.	N. Q.	N. Q.	N. Q	18 6 3	18 2 3	15 11 9	16 6 4	16 1 7
Adoni (Andhra State)	25 8 4	24 9 10	21 10 6	22 1 11	19 8 6	18 13 4	18 5 3	16 11 2	16 12 8	14 4 8	14 9 8	14 6 2
Akola—Bold Kernel	32 8 0	33 4 0	32 5 4	31 5 4	19 8 0	20 5 4	21 2 8	21 12 0	21 12 0	N. R.	NR	N. R.
Delhi (Nuts in shell)	19 10 6	20 4 0	19 9 0	18 10 5	18 0 0	16 13 0	15 12 0	12 8 0	10 5 4	10 12 10	10 8 0	10 6 0
LINSEED												
Bombay—Bold	18 13 0	19 10 6	18 0 0	17 15 3	17 4 9	16 13 9	16 9 7	16 8 6	16 10 6	16 14 0	16 5 2	15 10 4
Bombay—Small	17 9 0	18 7 6	16 11 6	16 10 10	16 5 6	16 0 0	15 7 7	15 6 3	15 8 6	15 12 4	15 3 7	14 13 5
Kanpur—Bold	20 0 0	19 3 6	16 14 8	16 15 5	16 12 9	17 14 8	17 10 0	16 7 0	16 0 0	16 8 5	17 6 4	N. A.
Small	18 5 3	17 7 9	15 1 4	15 8 10	15 5 0	16 0 0	15 12 5	14 7 2	14 6 0	15 2 0	15 6 6	14 5 3
Calcutta—Small	19 2 0	19 0 5	17 8 0	17 3 0	17 0 6	17 10 6	17 0 0	16 6 0	16 5 0	16 14 0	16 12 6	16 11 0
Indore	17 6 0	16 10 0	14 9 4	14 12 0	14 4 0	15 4 0	14 12 0	13 9 0	13 8 0	14 2 8	13 11 4	13 8 0
CASTORSEED												
Bombay—Small	15 14 0	16 4 3	15 14 3	14 8 0	14 6 6	14 2 9	13 4 11	13 4 0	12 15 3	11 8 7	11 11 4	10 2 3
Madras—Salem	14 15 3	15 15 0	14 9 0	14 3 2	14 15 0	14 15 0	14 5 2	13 15 3	13 10 0	12 14 9	11 13 0	11 9 0
Jadcherla (Hyderabad State)	13 12 8	14 1 5	12 13 3	13 0 10	11 12 9	12 2 0	12 0 5	11 9 0	11 3 9	9 11 9	9 3 6	8 4 6
Kanpur	14 6 6	13 4 6	11 14 4	11 10 2	11 5 9	11 12 8	11 7 0	10 4 5	10 2 9	10 4 4	9 7 2	8 15 6
SESAMUM												
Madras—White	30 6 0	32 2 5	31 9 6	32 0 5	29 14 0	29 2 0	28 7 7	27 4 6	26 9 0	25 12 8	21 11 0	20 11 0
Black	25 15 3	29 10 0	28 13 6	29 10 10	27 9 3	26 9 0	26 6 0	24 12 6	24 1 0	23 4 3	19 9 0	19 11 0
Kanpur	28 6 6	28 5 9	26 0 8	27 3 0	28 2 6	26 7 4	23 9 5	18 2 0	17 10 0	18 11 7	17 7 2	16 14 0
Bombay	34 5 3	34 9 3	30 14 5	30 9 2	26 9 6	23 7 6	20 5 5	19 7 5	19 6 3	19 0 5	18 9 0	18 12 0
Delhi—White	27 14 0	27 11 7	25 14 0	26 6 5	25 4 0	25 4 0	23 0 0	20 2 0	19 2 8	19 4 0	17 3 0	14 8 0

Nom: Nominal. N. Q: Not Quoted. N. R: Not Received. N. A: Not Available.

RAPE & MUSTARD

| | | |

AVERAGE MONTHLY WHOLESALE PRICES OF OILSEEDS IN INDIA

[In Rupees per Standard maund of 82-2/7 lbs.]

	April 1954	May 1954	June 1954	July 1954	August 1954	September 1964	October 1954	November 1954	December 1954	January 1955	February 1955	March 1955
LINSEED OIL												
Bombay	44 1 6	43 1 5	38 2 3	37 14 5	37 8 6	37 9 0	37 13 5	35 13 0	36 12 6	37 11 9	37 11 9	36 15 11
Calcutta	44 1 4	44 8 0	39 4 0	36 12 0	34 14 0	37 14 8	36 12 0	34 10 0	36 10 0	38 12 6	N.A.	37 8 0
Kanpur	45 0 0	41 4 0	36 8 0	37 0 0	36 14 0	38 10 8	37 1 7	34 2 0	32 14 0	34 10 0	34 12 0	33 8 0
Delhi	N. Q.	43 2 0	38 6 0	N.Q.	37 12 0	38 12 0	38 4 0	36 13 0	35 5 4	35 4 10	35 6 6	34 8 0
Indore	42 5 8	42 6 0	35 10 8	34 8 0	34 0 0	34 8 0	34 12 0	32 8 0	31 10 8	33 0 0	34 5 4	34 4 0
CASTOR OIL												
Bombay	33 11 8	33 3 0	32 1 1	32 2 2	30 7 1	31 4 10	29 12 8	29 1 9	27 10 11	25 14 6	26 13 0	26 10 0
Madras	34 8 11	34 6 4	33 2 0	32 14 7	32 14 7	30 0 0	30 7 2	29 1 0	28 12 10	28 2 3	25 8 1	23 14 6
Kanpur	34 12 0	32 0 0	27 10 8	27 5 7	25 12 0	27 2 8	25 12 10	23 14 0	23 7 0	23 13 4	23 0 0	22 12 0
Delhi	N. Q.	36 8 0	N.Q.	N.Q.	28 8 0	29 8 0	28 10 8	27 1 0	26 4 0	26 15 3	25 12 0	25 1 0
SESAMUM OIL												
Bombay	62 5 0	60 13 5	52 12 10	55 8 11	48 1 9	43 9 3	40 1 10	37 10 3	35 10 0	33 4 7	34 4 8	33 3 9
Madras	58 0 0	60 8 7	59 10 6	59 1 5	49 5 9	45 10 3	46 0 9	42 8 3	38 12 8	36 13 6	36 3 0	36 4 9
Kanpur	57 8 0	55 4 0	56 0 0	54 0 0	57 12 0	57 0 0	53 0 0	37 12 0	34 10 0	35 0 0	35 6 0	35 0 0
Delhi	N. Q.	56 8 0	53 0 0	N.Q.	52 6 0	49 0 0	42 2 8	38 7 0	36 14 0	36 9 0	35 9 6	33 14 0
MUSTARD OIL												
Calcutta	65 8 0	63 12 10	60 8 0	60 0 0	63 4 0	67 0 0	64 13 4	61 8 0	64 0 0	65 4 0	59 12 0	48 8 0
Bombay	66 13 6	67 15 9	66 9 9	67 6 2	61 7 3	N.Q.	70 2 6	N.Q.	N.Q.	N.Q.	N.A.	N.Q.
Kanpur	61 8 0	59 10 0	55 0 0	56 3 2	58 8 0	61 0 0	61 8 0	57 0 0	55 3 0	58 9 7	54 4 0	46 0 0
Delhi	N. Q.	53 4 0	51 0 0	N.Q.	52 8 0	54 8 0	54 4 0	52 4 0	48 0 0	47 9 7	41 10 0	39 0 0
COTTONSEED OIL												
Amritsar	49 10 8	49 2 0	45 0 0	N.Q.	38 8 0	39 12 0	37 5 4	33 0 0	33 10 0	33 4 0	33 4 0	N.A.
MAHUA OIL												
Kanpur	52 10 0	51 2 8	49 0 0	45 4 10	38 10 0	42 2 8	41 3 2	37 4 0	39 0 0	44 2 8	43 12 0	46 12 0
Delhi	N. Q.	55 0 0	49 4 0	N.Q.	39 10 0	41 12 0	39 1 4	38 15 0	40 14 8	44 12 10	45 2 6	48 6 0
Bombay	52 15 0	49 15 4	40 0 8	40 0 8	38 0 0	39 1 0	39 10 9	40 6 6	38 15 0	39 13 8	42 13 0	45 8 10

N. A : Not available. N. Q : Not Quoted.

NEEM OIL																								
Delhi	N. Q.			42	0	0	40	8	0	N.Q.			34	2	0	35	0	0	30	4	0	29	10	9	29	10	8	33	4	10	32	12	0	33	8	0
KARDI OIL																								
Bombay	55	4	4	53	5	9	47	9	2	47	10	8	46	13	2	46	15	0	45	11	8	44	7	3	45	8	0	42	6	9	39	13	7	36	3	0
NIGERSEED (KURSANI) OIL																								
Bombay	55	7	3	53	2	5	48	10	8	49	1	3	46	4	5	46	8	3	44	1	4	42	9	8	41	14	0	38	13	7	39	10	8	36	10	3
GROUNDNUT CAKE																								
Bombay	8	7	2	8	1	4	7	12	4	7	7	1	6	8	11	6	4	11	6	8	5	6	0	11	6	0	3	5	10	1	5	7	0	4	11	3
Kanpur	7	9	6	7	6	6	7	0	8	6	10	0	6	10	6	7	4	8	7	4	0	6	5	0	5	7	0	5	3	0	4	10	8	4	14	0
Delhi	7	8	0	7	6	10	6	15	0	6	13	7	6	10	0	6	13	6	6	6	0	5	11	9	5	9	4	5	0	0	4	12	6	4	7	0
LINSEED CAKE																								
Bombay	8	6	4	8	11	10	8	14	4	8	11	1	7	12	0	8	1	6	8	4	2	8	9	3	8	12	3	8	4	0	8	5	0	8	10	0
Kanpur	8	8	0	8	0	0	7	4	8	7	0	3	7	5	6	7	14	6	7	14	5	8	4	0	7	12	6	8	4	8	8	6	0	8	6	0
Delhi	8	0	0	8	0	0	8	0	0	7	10	0	7	0	0	7	8	0	7	8	0	N. Q.			N. A.			N. Q.			N. Q.			N. Q.		
CASTORSEED CAKE:																								
Bombay	6	15	7	6	10	0	6	11	5	6	2	7	5	14	9	5	9	6	5	6	7	5	4	4	5	3	11	4	9	9	4	4	8	3	12	0
Kanpur	7	1	0	6	13	6	6	6	8	5	14	0	6	10	6	6	14	8	6	15	2	6	9	0	6	1	6	6	2	8	5	7	0	5	4	6
SESAMUM (TIL) CAKE																								
Bombay	12	2	5	12	4	4	12	4	6	11	11	5	11	15	0	11	13	0	12	3	6	11	14	3	10	4	0	9	9	8	9	4	11	8	7	3
Delhi	12	9	0	12	12	0	10	15	0	11	4	0	12	0	0	12	12	0	13	8	0	10	12	0	9	10	8	9	0	0	8	6	0	8	0	0
RAPE & MUSTARD CAKE:																								
Kanpur	8	10	6	8	4	3	7	6	4	7	0	10	6	15	3	7	14	0	7	11	2	8	4	6	8	4	9	8	7	0	7	4	0	6	3	8
Delhi	9	6	6	9	8	0	8	6	0	7	14	10	8	0	0	9	0	0	8	12	1	8	10	0	9	0	0	9	2	10	8	9	0	7	2	0
COTTONSEED CAKE																								
Ludhiana	8	2	9	7	15	2	7	2	0	7	12	5	7	3	8	7	4	3	8	1	0	7	2	0	5	11	0	5	7	0	5	7	0	4	15	0

N.Q.—Not quoted. N.A.—Not available.

Directorate of Marketing & Inspection,
New Delhi.

PART .

Q: 1. No study of questions 1 (a) to (c) has been made by this Directorate so as to be in a position to express any views.

Q: 2. Does not concern the Directorate.

Q: 3. This Directorate is mainly concerned with raw agricultural commodities. Any views expressed on this question will therefore, only relate to agricultural products. While the number of class rates and wagon load scales prescribed appear to be sufficiently broad, the grouping of different commodities between the classes and interrelation between class rates and wagon load scales is not very happy.

The following observations are being made :-

(i) *Class rates: Class 1st.* Taking the class rates in class 1st, it is observed that all the foodgrains and pulses are grouped in this class irrespective of their price value or extent of movement. Taking these two factors into consideration, it would perhaps be desirable to subdivide the foodgrains and pulses into 3 broad sub-groups as under :-

(a) Major foodcrops :—Wheat, rice and barley;

(b) Millets :—Jowar, Bajra, Maize and other coarse grains :

(c) grams and other pulses, *i.e.*, Moong, Masoor, Urid, Matar, etc.

The class rate for each of the above sub-groups may be rated in keeping with their prices, subject to the maximum of O·54 pie per mile for the commodities having the highest price value.

Class 2nd and 3rd: It is observed that while sugarcane is in class 2nd, sugar has been put in next higher class *i.e.* 3rd. Value for value the classing of sugarcane in class 2nd in relation to sugar in class 3rd does not appear appropriate. It may, therefore, perhaps be desirable to bring either sugarcane in lower class rate or sugar up-gra led after consultation with the growers and traders concerned.

Class 6th: Tapioca chips—These are the poor man's food. These appear to have been classified in higher class, probably due to their limited movement by rail and that too in small quantities only. It may perhaps give incentive to larger movement in appreciable quantities if the rating is brought down.

Class 8 and 9: Lac crude (sticklac, seedlac etc.) and lac refined (shellac) are included in class 3rd and 8th, respectively. The prices of these two items are generally, in proportion of 1 : 2·5 or 3, while the difference in rating is much higher than the above proportion in price value. Lac refined may, therefore, be rated in appropriate class in relation to rating given for lac crude. This is particularly necessary when there is heavy competition by road transport. The fact that lac refined is almost entirely exported abroad, is another consideration for giving relief in its rating.

Same is the case in classifying tobacco leaves, dust and stalks, etc.

Such disparity in class rates should be rectified taking into consideration not only the policy, the economics of transport, railway finance but also the price value of the commodity, the extent of movement its industrial utilization and the needs and the economic aspects of the consuming public.

Class rates vs. wagon load scales: A difference between class rates for wagon loads and smalls is no doubt imperative. However there appears to be wide disparity between class rates and wagon load scales for a given commodity. Taking the foodgrains and pulses as an instance, it is observed that the consignments tendered in less than 'wagon loads' cost disproportionately more than those tendered in wagon loads. *e g.* while the food grains in 'smalls' are rated at pie 0.54 per maund per mile for 1st 300 miles, the same are rated at pie 0.38 in wagon load scales (W.L/D), thus giving a difference of 0.16 pie per maund per mile. If some relief is to be given to the producers and medium type of traders who generally move their commodities in 'Smalls' this disparity between these two types may have to be narrowed down.

(ii) & (iii) No comments.

Q: 4. There are very few agricultural commodities which move over 1,500 miles. As such, the question of retaining the existing practice or its discontinuance in either case is not likely to alter the position. If it is conducive to augment the railway finance, the practice of free carriage of goods beyond 1,500 miles in either case may as well be abolished.

Q: 5. The incidence of such charges should be reduced to the extent possible, it should be particulary so, in respect of transhipment charges.

Q: 6. The present unit figure appears quite convenient for calculating the charges and needs no change.

Q: 7. Since bulk of the traffic of agricultural produce moves by road within radius of 15 to 20 miles, it may not be necessary to alter this limit. But, where there is appreciable rail movement over short distances as in the case of suburban movement of agricultural produce to cities like Bombay, Calcutta, etc. this limit may have to be considered on local conditions.

Q: 8 (a) Adoption of a uniform policy is desirable on all the railways.

(b) The empty haulage charges for tankwagons for moving vegetable oils to concerning centres to abolished.

Q: 9. While there could be no objection in principle to classfication of goods in rela-

tion to their transportation conditions and their prices, in actual practice this appears not to have been strictly adhered to. The remarks made in 3 (i) are the points in instance.

At present the fruits and vegetables are not grouped together. It is suggested that fruits and vegetables should be put into the same group.

The existing classification only mentions fresh fruits and vegetables. The classification should also include cold-stored fruits and vegetables as they are actually more vulnerable to delay in transport and malhandling. They should be given some priority in movement. There is also need to include semi-processed fruit juices and pulps under the group of fresh fruits and vegetables. These are required to be transported from the producing centres to the consuming centres for further processing into varieties of fruit products. They should be considered at par with fresh fruits and vegetable as by only a simple process fruits are converted into juice and pulps into producing areas and transported instead of fruits in fresh conditions. There is a great scope for increasing greater utilization of horticultural wealth particularly in in-excessible important producing areas. The group should therefore read as "Fresh fruits and vegetable, refrigerated fruits and vegetables and fruit juice and pulps in barrel".

The grouping of fruit and vegetable products, requires certain modifications. At present the fruit juices or syrups are grouped together. It is felt that this group should include besides fruit juices and syrups (it would be preferable to call syrups fruit beverages), fruit and vegetable preserves, dehydrated and dried fruits and vegetables, sauces and chutneys. The item of fruit preserves should be made more explicit by replacing the word fruit preserve by following: "fruit and vegetable preserves, jams, jellies, marmalades, canned and bottled fruits or vegetables". This regrouping is suggested because all these items are of similar nature with regard to transport and also their cost.

The pickles are not linked with any item, It is suggested that vinegar should be linked with pickles as it is used as condiments.

Q: 10. The present classification of fresh fruits and vegetables provide for quarter parcel rate for fruits while half parcel rate for vegetables. It is suggested that vegetables should also be treated at par with fruits as larger section of the population consume vegetables and vegetables are cheaper than fruits. This present anomaly also affects certain fruits which are treated as vegetables because of its use *e.g.* lime, raw papaya and banana. The regrouping of fruits and vegetables as suggested under item would automatically remove this anomaly. The benefits of quarter parcel rate should also be extended to the refrigerated fruits and vegetables, barrelled fruit juices and pulps which are the other items suggested in the group.

The fruit and vegetable products are classified as under :—

1. Fruit juices or syrups.....8,
2. Fruit preserves.....8,
3. Vegetable preserves.....12,
4. Fruit dried.....8,
5. Vinegar.....11,
6. Pickles.....12.

Fruit and vegetable preservation industry has been representing several times for re-classifications of tariff. The existing classification affects the industry badly as the freight rates on fruit and vegetable products is rather heavy compared to the cost of the products. The cost structure of the fruit and vegetable products shows a lower price per pound as compared to many other products like biscuits etc. If a suitable reduction is granted in freight rate it is likely that that may give bigger markets not only in the internal markets but also for export purposes. The fruit products should not be considered as luxury articles. The products of the industry cannot bear high cost of freight as there are already other factors affecting the cost which have put progress of the industry in a great difficulty. The reduction in freight structure is one of the remedies suggested by the panel constituted by the Government of India for suggesting development programme for fruit and vegetable preservation industry in 2nd 5 Year Plan.

It is, therefore, suggested that after re-grouping of fruit and vegetable products as suggested under Q: 9 the classification of groups should be made as under to give benefit of reduction in cost of manufacture to this infant industry.

Group No I. Fruit juice, fruit beverages, fruit and vegetable preserves, jams, jellies, marmalades, canned or bottled fruits and vegetables chutneys, and sauces to be put under classification IV.

Group No. 2. Pickles and vinegar to be put under Classification 3. A lower classification has been suggested in case of pickles and vinegar as they are cheaper than the group above.

Also see suggestions in 3 (i).

Q: 11. Presently, anything less than the prescribed wagon load scales for different commodities (500 maunds in case of food-grains and pulses for broad gauge) is treated as 'small'. The gap between the 2 'legs', viz., 'smalls' and 'wagon loads' is much too wide. As 'legs' have been provided in case of mileage there should also be an intervening 'leg' which may cover certain mean loads between the minimum and maximum as may place average traders in competitive position with the big trade.

As to determining the relationship between 'Smalls' and the 'Wagon loads', the price and importance of commodity should be taken into consideration. For example, millets like bajra, lowar, maize which are poorman's food and which are priced at much lower rate than major food crops like wheat and rice, should have a very little difference in the rate for 'Smalls' and 'Wagon loads'.

Taking the extent of movement and the price-structure the relationship between 'Smalls' and 'Wagon loads' for some of the commodities is suggested hereunder :—

Wheat, rice & barley	**... W.L.**	**: Small**	**= 1 : 1·25**
Millets	**... ...**	**„ : „**	**= 1 : 1 125**

Oilseeds, *e.g.*, groundnuts, linseed, castor and gingelly	...	W.L. :	Small	— 1 : 1·3
Rape, mustard	...	,, :	,,	— 1 : 1·25
Fruits and vegetables	...	,, :	,,	— 1 : 1·125
Other agricultural produce of industrial importance.		,, :	,,	— 1 : 1·5

Q: 12. The minimum charge should vary with the class of commodities carried. This is particularly the case in respect of fruits and vegetables, Lac products and ghee in tins etc. In the case of fruits and vegetables the damage due to wagon load capacity loading is well known. Lac and Lac products get blocky on loading to existing scheduled capacity. In case of ghee in tins, the tins get dented even if they are loaded in 2-3 tiers. Thus there is a considerable loss in respect of all these commodities and it is a national waste. A uniform minimum rate at Rs 1/12 per ton on carrying capacity thus places an undue burden on such of the commodities as cited above.

Q: 13. (a) No revision in the present uniform rate of minimum charge at Re. 1/- per consignment of smalls is called for.

(b) The minimum charge itself being as low as Re. 1/- does not justify reduction with the class of commodities.

Q: 14. No alteration is needed in the existing arrangements. Long distance movement of goods of the new statutory minimum is cheapar. This will be costlier if the minimum is raised, and such consignment would have to pay more if moved by parcel trains.

Q: 15. This, if adopted, will not be in the interests of commodities which at present enjoy low class rates *e.g.*, food grain and pulses as it is apprehended that in fixing one class rate for all the commodities upto a certain minimum weight, will be based on mean class rate values *i. e*, Rs. 3-3-0. maximum rate per maund for class 1st to Rs. 10-9-0 class 15th.

Q: 16. Without in any way causing hardship which may arise in adopting suggestion, (i) & (ii) Suggestion (iii) would provide a better scope in utilisation of existing transport facilities to its maximum.

Q: 17. This will be to the advantage of commodities like jute, grain etc. moved by large firms and individual concerns. This will also help railways to compete with sea borne coastal trade. It might be introduced as an experimental measure in the first instance.

Q: 18. There could be no objection to levy of additional charge for express goods service. It should not be grudged by the trade for expeditious movement of their goods.

Q: 19. No comments.

Q: 20. No comments in the existing rates for live-stock animals.

The existing wagons used for transport of cattle have generallly neither lighting arrangements nor feeding and water troughs for animals. As a result of darkness, sometimes cattle become restive and frightened and receive serious injuries causing heavy loss to dealers. Except in a few cases, cattle trucks have metalic sides, roof and floor, with the result that the temperature inside goes high in summer and low in winter. It is suggested that steps may be taken by the railway authorities to provide ventilators and arrange for lighting, feeding and water troughs for animals in the wagons. The desirability of making improvements for protection from extremes of heat and cold may also be examined.

Q: 21. Any of the alternatives suggested are likely to provoke alternative transport agencies to increase their own rates.

Q: 22. Generally the short distance rail rates are lower and quite comparable with the road transport. However incidental charges and labour involved tend to divert most of the movement by road rather than by rail despite low rates.

Q: 23. This does not apply to agricultural commodities.

Q: 24. The Indian Central Jute Committee will be in a better position to comment.

Q: 25. No comments in view of replies to Q: 23 and 24.

Q: 26. The revision of present rate structure in respect of class rates, wagon load scales and the related 'legs' in addition to expanding scope for 'smalls' has already been indicated. While suggesting the necessary changes, account has been taken of developments achieved and contemplated under agricultural production.

During Second Five Year Plan it is proposed to give encouragement for the development of fruit and vegetable preservation industry. It is envisaged that the present estimated production of fruit and vegetable products may increase from 20,000 tons per year to 50,000 tons per year at the end of Second Five Year Plan. The development of industry is related to the various development programme as well as reduction in the railway freight during the course of the plan. The target for the increased production has been also linked with increase in export from 1,000 tons per year at present to 11,000 tons per year under the Second Five Year Plan. All these, however, would be possible only after the reclassification as suggested under item No. 10 is given effect to and the existing freight rates are reduced.

Q: 27 & 28. No comment.

Q: 29. No assessment of the effect of telescopic rates has been made by this Directorate.

Complaints have, however, been received that the abolition of station to station rates has generally affected the trade interests as well as the income of the railways *e.g.* as there is no station to station rate between Bhusawal and stations like Jullundur, Amritsar, Bannas from Bhusawal section are booked to Delhi (station to station rate is quoted for Delhi) and then moved by trucks to station in the East Punjab. The difference in freight charges between Bhusawal and Amritsar and Bhusawal and Delhi is not warranted by difference in mileage between Delhi and Amritsar. Such anomalies need examination.

Q: 30. This Directorate agrees with the suggestion made for re-introducing the station to station rates in the light of remarks made in Q: 29.

Q : 31. There is no reason why the railway freight rate policy should not be based on consideration of the Economics of transport and the needs of Railway finance, the Railways being a national undertaking and augmenting the general revenues which must be increased to meet the increasing financial commitments in the 2nd Five Year Plan and subsequent plans.

Q : 32. Yes, provided the benefit of such assistance helps in promotion of export trade and increase in goods in which the country is short and have to rely on imports.

Q : 33 to 40. No comments.

Q : 41. It is better to have stable rates so that industry knows where it stands in respect of its expert commitments.

Q : 42 to 45. Not concerned.

Q : 46. For States to reply.

Q : 47. The small agriculturist usually disposes of his produce in the nearest assembling market where he carries it in his own transport.

Adjustment of railway freight rates may perhaps induce him to take his produce to other better markets provided he gets better return for his produce after meeting the freight and other incidental costs.

Q : 48 to 55. No comments.

FOREST DEPARTMENT

Memorandum on Railway freight

At its third meeting in May, 1955 the Central Board of Forestry adopted the following resolution on the question of railway freight and transport of timber and forest produce by rail :—

> "The Central Board of Forestry recommends that a Sub-Committee of the Board may be set up by the Chairman from time to time to tackle this and other similar problems at the highest possible level.
>
> The Board also recommends that a case in respect of railway freight charges should be prepared and submitted so that the freights may be suitably adjusted to fit in with the requirements of the various industries and other consumers because it is this single item which can sometimes make the timber very expensive and beyond the means of the consumers, both industrial and others"

In persuance of the resolution, the following State Governments brought their difficulties to the notice of the Board with reference to existing, freight rates and transportation problems of timber and other forest produce :—

1. Assam
2. Travancore-Cochin
3. Madras
4. Hyderabad
5. Madhya Pradesh
6. Himachal Pradesh
7. Jammu and Kashmir.

Assam has very considerable difficulties regarding railway movement of timber and forest produce, and requires very special consideration. Particulars are as follows :—

(1) They normally require movement for 40,000 Sal B G. and 40,000 Sal M, G. sleepers from stations between Tipkai to Pandu involving about 12,000 B. G. wagons. The M. Gs, normally move over the M. G. section of the North Eastern Railway and the B. G. sleepers have to be moved to B. G. section of other Railways.

(2) Movement is also required for about 1,25,000 B. G. after treatment at the Naharkatiya Sleepers Trading Plant from Naharkatiya. This means in terms of wagon about 1,500 Cft. Here also the M. G. will normally move over the N E. Railway only and B. G. will move to the B. G. sections of other railways.

(3) They require movement of about 50,000 Cft. of Sal Logs over N. E. Railway from stations between Tipkai and Pandu to Dibrugarh Railway work shop this means 150 B. F. Ts.

(4) Movement is also required for about 1,00,000 Cft. of Sal logs to Gorakhpur, Samastipur and Izatnagar Railway workshops froms stations between Tipkai and Pandu involving about 300 B. F. T's.

(5) Movement is required for 40,0,000 Cft, of Sal posts and sawn timber from stations between Tipkai and Pandu in Alipurduar district as well as trans-Brahmaputra section of the N. E. Railway. Some of these will also move to Calcutta, U.P, Bihar, etc. About 50% of the requirement may be stated to be in Assam and 50% out-side Assam. In terms of wagon this will mean about 300 CGs. and about 1,000 B. F. T's.

(6) About 1,00,000 Cft. of Hollong logs are to be moved to Guhati, Cooch Behar and Culcutta for the plywood industry from the Tinsukia district involving about 250 B. F. T's.

(7) Hollong sawn timber to the extent of 1,00,000 Cft. required to be moved to Calcutta from Tinsuka district. This means about 250 C. Gs

(8) Movement of about 1,00,000 C.ft. of Softwood packing timber is required from Lumding district to Calcutta, involving 250 B. F. Ts.

(9) Movement is also required for about 1000 tons of timber from the Badarpur district to the rest of Assam and to Calcutta involving about 125 C. Gs.

About 500 C. Gs. wagons are required for the movement of canes from Assam to Calcutta and about 200 wagons for movement within Assam. Canes are available almost in all districts of the State and the requiremnt of movement is from almost every district.

(11) About 1,500 C. G. wagon loads of thatching grass have to be moved from Lumding district of Uppor Assam districts (Tinsukia and Mariani districts). This is a very important movement as resources of thatching grass in Upper Assam have been

destroyed by flood and requirement for villagers as well as for industrial laboures' houses have to be obtained from Middle Assam districts.

(12) There are large bamboo resources in Upper Assam which are not utilised now to any appreciable extent by Paper Industry due to unsatisfactory supply of Railway wagons A supply of at least 1,000 wagons for this purpose should be planned for from the Lumding and Badarpur districts to Calcutta.

(13) As regards enquiries regarding the freights for Timber and other Forest produce, the prices of the materials are changing all the time and hence it is not possible to furnish the information at such short notice. However, the C.C. F. is collecting the information which will be forwarded as early as possible.

The Travancore-Cochin Government have drawn attention to the fact that the present freight rates on timber render uneconomic to attempt development of timber markets out of the limits of the State. This is particularly the case with reference to softwoods and secondgrade species, in fact all woods other than teak. If the railway freight is suitably modified and reduced the export of softwoods and inferior junglewoods could be undertaken with reasonable prospects of a minimum return to the State Government and to the consignee transporting the produce. Further, such reduction in railway freight would also naturally facilitate timber merchants securing more orders from outside and increased turn over as a result. The movement of firewood to Madras and other large centres is of importance from Andhra areas.

The Andhra Government have stated that about two years back the freight charges were enhanced on almost all commodities. But the rate of enhancement varies from commodity to commodity. Though firewood is as essential in daily life as common salt, the freight charges on this commodity was enhanced by hundred per cent. They have pressed for reduction in railway freight on firewood to the pre-enhancement level.

The Himachal Pradesh Government are interested in timber movement mainly to Bombay area from stations on the Northern Railway. The timber usually canifers is wanted in Bombay for packing cases etc. The trade is unable to bear the strain of the present freight rates and requires special reduced rates for its continuance.

The Hyderabad Government have stated that owing to high railway freight charges it becomes uneconomic to transport timber and other forest produce. With regard to charcoal the rate charged is Re. 0-3-10 per maund per 100 miles whereas on Bidi leaves the rate charged is Re. 0-9-7 per maund per 100 miles. The freight rates for bulky articles like bidi leaves should be based on wagon capacity and not on a minimum maundage basis.

The Madhya Pradesh Government have also brought up the same issue. For certain forest produce, minimum weight has been prescribed per wagon load for freight charges even though it is physically not possible to load that weight of the produce in the wagon. This results in a high freight rate per unit quantity actually transported. For example, for bamboos the minimum weight charged is 300 maunds whereas with the best of efforts it is not possible to load more than 240 maunds in a wagon. Again with N. G. wagons the actual load can be only upto 190 maunds against the prescribed minimum basis of 300 maunds for freight charges. Similarly, for timber, freight is charged per wagon-load on a minimum of 350 maunds but only 450 cu.ft. can be loaded in a wagon which on an average equals only 220 maunds. The State Government suggest that the Railway freight charged should be correlated directly with the maximum quantity of the material that can be actually loaded in the wagon. They have further argued that freight rate should vary in direct proportion to the market value e g. timber in round and sawn These are being charged the same freight though there is considerable difference in market value. Again bamboo and timber are being carried practically at the same rates though there is difference of nearly 8 times in their market value. Similarly Katha and crude lac have been placed in the same category though lac has a market value less than Katha. Fuel and charcoal freight rates also similarly unrelated to market value.

The minimum quantities for freight charges prescribed affect adversely especially when transhipment is involved from N. G. to B. G. line. For actual transport of one B. G. wagon load, the despatches from an N. G. station necessitate payment for two wagons at the minimum wagon rates. This affects adverse the despatches from N. G. stations, on which unfortunately most of the timber producing centres occur. They have therefore suggested that if any transhipment is to take place from N G. to B. G. line for reaching the destination, the freight rate should be charged on the basis of B. G. wagon loads and not N. G. wagon loads

The *Jammu and Kashmir Government*, have complained about the movement of rosin and turpentine from their Government factory at Miran Sahi. They have stated that before partition the N. W. R. had given special concessions for the movement of Rosin and Turpentine to Karachi. This has since ceased, and they are now off the railhead at Pathankot and placed at a very serious disadvantage. They have pressed for special concessional rates for movement of these commodities from Pathankot now so as to be able to compete with manufacturers at Hoshiarpur.

The whole question of railway freight and movement facilities for forest was considered in detail at the meeting of a Subcommittee of the Central Board of Forestry held in the Ministry of Food & Agriculture on 22—10—'55. Regarding reduction of freight rates the representative of the Railway Board (Shri K. B. Mathur) advised that this matter may be referred to the Freight Structure Enquiry Committee. He further clarified the position that with regard to the complaint of Jammu & Kashmir State, special rates were already in force from Jammu out agency to Calcutta and Bombay and a special rate to Madras was under consideration. He also gave the assurance that the Railway Board would be

willing to consider similar special rates from Pathankot, besides from Jammu Out Agency.

In effect the Government of India would request that the following should be favourably dealt with by the Freight Structure Enquiry Committee :—

(1) *Supply of wagons*: The States have complained generally about the inadequate supply of wagons for the transport of timber and forest produce. Against indents for covered wagons, open wagons are supplied which are open to pilferage and consequent loss in transit. Increased facilities for storage at station yards, for loading and for 'diversion' or 'alteration' en route are requested. The Assam Government are facing a difficult problem because of the inadequate and delayed supply of wagons at various places within the State, especially as their timber etc. are liable to rapid degrade.

(2) *Concession in freight rates on specified commodities moving between specified points*: Concession in railway freight for Rosin and Turpentine are necessary. This would refer not only to Jammu & Kashmir but to the output from Himachal Pradesh and perhaps also Uttar Pradesh. For example the Jammu & Kashmir Government have brought to the notice of Government of India that the concession in railway freight for Rosin and Turpentine for Bombay was recently withdrawn and the same may be revived. The concession of Re. 1/- per maund of Rosin and Turpentine as was previously sanctioned for Bombay and Calcutta may be allowed for other important consuming centres as well, particularly Delhi and Madras. The concessional freight should be allowed to be availed of not only from Jammu (Tawi) Out-Agency but also from Pathankot or any other station from which despatches of this produce take place, with a view to efficient service to the consuming markets.

The freight rates on the transport of steam coke moved to Jammu for working the plant also requires reduction.

(3) *Need for reduction in freight rates on timber etc*: The freight rates on the transport of timber charcoal and firewood are at present high with the result that the prices of these commodities are ruling very high in the market. It is necessary to reduce the freight rates on these commodities so that they may become available at reasonable prices to the consumers. This is important since these are essential commodities and must be within the reach of the poor man also even in big cities like Bombay.

(4) *Basis of freight rates on timber etc*: *Freigh charged on area basis*: Some states have pointed out that freight is charged on area basis with minimum maundage per wagon. The maundage was increased by the railways from 1st October, 1950, by nearly 20%. Over the Northern Railway there are two different rates *i.e.* for local booking and for foreign booking. There has been an increase in local booking only. For wagon loads, the freight is charged for a minimum load of 270 maunds. A statement received from U.P. Government showing the increases in the rates from 1-4-51 will reveal that nearly 8% increase has been made in recent years, whereas the commodities concerned should receive favoured treatment.

Area of wagon.	Distance miles.	In Previous freight. Rs. a p.	Present freight from 1.4.51	Difference Rs. a. p.	Percentage.
Upto 180	100	68 0 0	73/-	5 0 0	7
,, 198	100	75 0 0	81/-	6 0 0	8
,, 212	100	81 0 0	88/-	7 0 0	9
,, 220	100	87 0 0	95/-	8 0 0	9

The U.P. Government have further stated that on the N.E. Railway the freight is charged on area basis and not on actual loading. The Andhra Government (on whose despatches of firewood and charcoal to Madras; that city depends for its fuel needs) have also drawn attention to similar facts. Taking all the railways into account it is estimated by them that the average increase is about 15% in the railway freights.

(5) *Adverse effect on freight charges*: In cases of transhipment from M.G. to B.G. when booking is done from M.G. or N.G. stations to B.G. lines, freight is charged at B.G. rates direct from the loading station. As a matter of fact the higher rate, if at all, should be charged only from the station where transhipment takes place. The loading capacity of M.G. wagon is scarcely 2/3rd of B.G. wagon.

(6) *Uniform freight rates*: Freight is charged at uniform rates on sub-variable commodities as bamboo poles, logs, sawn timber etc. is recommended that the freight rates may be so fixed that may bear some correlation to the prices of the various commodities in the markets at destination. Again, even in single commodity (say) timber-certian timber are intrinsically far more valuable than others *e.g.* teak logs may be Rs. 8/- to 15/- per cu. ft. but sawn logs fetch only about a fourth of above price.

No wagon load rates have been prescribed for Biddy leaves, lac, tanstuff even though they are mostly transported in consignments of wagon loads. Wagon load rates where they exist are also not in proportion to the actual quantities which can be transported in a wagon as has been stated earlier.

(7) *Supply of cranes*: It has been observed that when cranes are required for loading large logs or other heavy goods the former are not generally made available along with the wagons, with the result that goods are not readily loaded in the trucks provided or unloaded from them as the case may be. One direct result of this is that demurrage is charged for the wagon which is far from being fair to them. It is necessary that steps should be taken by

the Railways to ensure that cranes are made available immediately when wagons are placed, or in any case there should be no levy of demmurage for delays by the Railways in providing essential facilities.

The Government of India (Ministry of Food & Agriculture) will be prepared to depute an officer to tender further evidence before the Committee if so required and to place specific proposals before them in the interests of improved conditions for rail transport of timber and other forest produce so essential to the progress of the country.

Forest Research Institute & College,

Dehra Dun.

PART I—A

Q: 19. It is also our experience that we often have to wait for considerable time to unload both timber and heavy research equipment booked for this Institute because of lack of suitable machinery for unloading, while the demurrage charges go on accumulating till the crane arrives and actually unloads the heavy consignments. It is therefore requested to bring to the notice of Railways that at important business centres necessary cranes may be installed. We are particularly interested in the installation of a suitable crane at Dehra Dun because apart from this Institute, we have other important Government organizations like the Survey of India, Defence Ordnance Factory, Indian Military College etc. located at this place.

Q: 32. It is to be pointed out in this connection that the results of researches carried out at the Forest Research Institute are freely being supplied to the Railways, and that Railways are constantly in need of the help of the Forest Research Institute to solve a large number of their problems. The Forest Research Institute is also imparting training to the technical personnel of the Railways free of cost. It is therefore suggested that in the interests of the Railways themselves they should generously support research at this Intstitute. They could do so by contributing certain portion of freight earned on the movement of forest products. It will not be too much to expect that at least 5% of the above earnings be placed at the disposal of this Institute for the purposes of research and training of technical personel.

Another point that may be brought to the notice of the Railways is the inadequate facilities available in some of the State forests. Lack of the facilities is preventing extraction of timber from the interior of the forests. Timber found in the outer fringes has already been extractad, with the result that extraction of timber from the interior is not undertaken. This has a telling effect, as was already made out at the last (June 1955) Sleeper Pool Conference held at Calcutta, on the timber supplies for sleepers to the Railways. It is suggested that the Railways may in their own interest put up tram lines in the forests from out of the earnings from movement of forest products or subsidise the expenditure on this account to the benefit of the forest departments and the timber contractors, who supply railway sleepers. Without this help from the Railways it is impossible to bring out timber, on which the future sleeper supply so much depends, from the interior of the forest.

Q: 33. As a result of researches made at this Institute several new industries are likely to be established or expanded during the course of the Second Five Year Plan. A few such industries are mentioned below:—

Wood Preservation and Seasoning Industries, Battery Separator Industry, Pencil Industry, Packing Case Industry, Plywood Chipboard Industry, Textile Mill Accessory Industry, Sports Goods and Joinery Industry etc.

In many cases these new industries cannot stand competition from foreign markets. It is therefore proposed that in the early stages during the next 10 to 15 years, the above industries should be helped by way of concessional freight rates for the movement of raw materials.

Q: 36. The Forest Research Institute has been finding for the past several years considerable difficulties in meeting expenditure on account of transport of raw material, particularly from forest origin required for conducting research at this Institute. A large measure of these researches are of direct interest to the railways themselves because they deal on utilization of timber for railway sleepers, carriage building, etc. It is therefore reasonable to expect that this raw material may be transported from various centres in the country to the Forest Research Institute and from the Forest Research Institute, after processing, to the experimental sites free of cost. It may be pointed out in this connection that this raw material is being supplied to the Forest Research Institute by the various States free of cost.

It has also been found due to various causes that the transport of the above mentioned material takes far too long a period and in some instances the railways are reluctant to book the material required for research purposes. It is therefore requested that standing instructions may be issued to all the railway stations to give high priority in moving timber and other material meant for booking to this Institute.

Q: 40. It may not be out of place to mention here that as a result of delays in

the movement of timbers, large scale losses of timbers, waiting for transport, particularly in the form of sleepers are being incurred due to decay and insect attack. There is already a considerable shortage of timber in the country and the existing supplies are inadequate to meet the demands. The Forestry Board was therefore, seriously concerned with the matter and has asked the Forest Research Institute to put up concrete proposals, in consultation with the Director General, Supplies & Disposals to avoid these losses. We are of opinion that the above problem can be tackled in two ways. Firstly at a number of important exporting centres timber is being stacked on railway land. This land is kept in an unhygienic way, because stray cattle have easy access to it. Further timber is stacked almost on the ground in a haphazard way. The result is that during rainy season considerable quantities of the timber get decayed. In many instances this decayed timber is not disposed of with the result that it rapidly spreads contamination to sound timber stacked nearabout. To avoid these dangers the Railway should construct proper timber yards and maintain them under hygienic conditions. The Forest Research Institute can advise the railways on the construction of such yards. The railways can levy suitable fees for storage of timber in such yards and meet from money so collected the expenses for maintaining the yard. Secondly by quickly transporting timber from the above yards to the places of destination the above losses can very considerably, be curtailed.

Indian Central Arecanut Committee,

Kozhikode.

PART I-A.

Q: 9. Among the commercial crops of India, arecanut is an important crop and it occupies a peculiar position. Our country is deficit with regard to its production, and large quantities to the extent of about 11 lakhs of maunds are imported from Singapore, Malaya and Ceylon Its cultivation here is in the hands of small growers with an average holding not exceeding one acre. There are a few handicaps in its cultivation and proper marketing; and transport from the processing and assembling centres to the consuming centres is the greatest handicap. It is assembled in a few markets like Mangalore, Kozhikode, Tirur, Kuttipuram, Palghat, Mettupalayam etc., in Madras State, at Shimoga, Sagar, Birur etc. in Mysore State and Trichur, Alwaye, Wadakkancheri, Punalur etc. in Travancore-Cochin State and Sirsi in Bombay State. Since the cultivation of arecanut is in the hands of the lower middle class and poor ryots, any fall in the price severely affects them. Usually, the greatest factor that affects the price is want of proper movement in time. Therefore, it is necessary that arecanuts from assembling centres are sent as expeditiously as possible to the distributing centres like Madras, Hindupur, Hyderabad etc. Very often restriction in booking facilities cause bottlenecks in certain sections of the Railways, especially the Southern Railway and cause serious loss to areca growers and traders. Owing to difficulty in booking by rail at present, movement of arecanuts from Shimoga, Bangalore, Malabar, Sirsi and Punalur is mostly by road. Therefore, it will be necessary in the interests of arecanut industry and to prevent loss of revenue by the Railway Administration that arecanut is treated as an essential commodity for preferential booking from the above stations or regions covered by those stations and also unrestricted facilities are afforded for booking arecanut as "Smalls". Before integration of the Mysore Railway with the Southern Railway, it is also said that special concessional rates were in vogue for Shimoga station to other consuming centres. It may, therefore, be considered whether concessional rates may be given for arecanuts from important stations noted above.

Q: 26. At present, India is depending upon foreign countries like, Ceylon, Singapore for about one third of her requirements of arecanuts. Increasing the area and thus the production under arecanut is one of the major plans in the Second Five Year Plan of the Government of India, for which quality seedlings for planting up new areas and to replace old gardens have to be distributed all over the arecanut growing regions. The Indian Central Arecanut Committee has already started a few arecanut nurseries. A large number of nurseries at various centres are also proposed to be started under the Second Five Year Plan to distribute annually a few lakhs of arecanut seedlings all over India. It so happens that the Railway freight on the seedlings enhances the price of the seedlings and becomes prohibitive for the poor purchaser. Hitherto the concessional booking was not provided since it was not classified as a food crop. It is feared that unless areca seedlings are allowed the concession to book at quarter parcel rates, there will be great difficulty in the distribution of seedlings during the Second Five Year Plan. It may be stated that while booking of seeds at quarter parcel rate is allowed, seedlings are not allowed this concession though thay are less likely to be misused than seednuts. It is, therefore, absolutely necessary that quarter parcel rate should be allowed for booking arecanut seedlings by rail. It is also suggested that all horticultural seeds and seedlings should also be granted quarter parcel rate concession for booking.

Indian Central Cocoanut Committee,
Ernakulam.

PART I-A

Q: 10. *Classfication of goods* At present cocoanut is placed under category E, in the list of commodities for priority of movement.

Several representations have been received by this Committee from Marketing Societies, Trade Associations and Growers' representatives, in Orissa, Andhra, Madras and Mysore States stating that as a result of the above classification considerable difficulty is experienced in the matter of obtaining sufficient number of Railway wagons for export of fresh nuts from the producing areas.

Fresh cocoanut is a perishable commodity and unless the consignments collected at Rail heads are promptly booked by rail they may deteriorate in quality. The price of fresh nuts fluctuates violently depending on the availabitity of Railway wagons and when wagons aro not alloted regularly and in sufficient numbers, dealers and growers suffer heavy loss.

This Committee has, therefore requested the Ministry of Food and Agriculture to recommend to the Ministry of Transport that cocoanuts should be placed in category D and to make available at the important exporting railway stations sufficient number of wagons for regular export of cocoanuts (Vide Ministry of Food and Agriculture letter F. 5-170/54-S C dated 16-11-1954).

PART I-B

Q: 1. Statements showing the production of cocoanut oil in the Factory mills in 1947-48 and 1952-53 and all the power mills in 1953-54 and price of cocoanut oil at Cochin, Alleppey, Calicut, Madras, Bombay and Calcutta for the same period is enclosed.

Information relating to other item of Annexure V is not available.

Q: 2 & 3. Information is not available.

Q: 4. Statements showing production of cocoanuts in 1947-48 and 1952-53, and its average price in 1954-55 at the important producing centres is enclosed.

Information relating to other items of Annexure VIII is not available.

ANNEXURE V

Cocoanut oil produced in power mills in the different States in India.

(in cwts.)

State.	1947—48	1952—53	1953—54	1954—55*
Travancore-Cochin	9,71,213	6,52,344	10,03,414	
Madras	88,381	91,428	1,54,546	
Bombay	2,25,946	1,86,888	3,24,818	
Saurashtra	—	1,150	1,465	
Andhra	—	1,612	1,850	
West Bengal	—	2,894	2,827	
Baroda	—	71	542	
Total ...	12,85,540	9,36,387	14,90,272	

* Information is not yet available.

Average annual price of Cocoanut oil per ton in some of the important markets in India.

Market.	1947—48	1952—53	1953—54	1954—55
	Rs. A.	Rs. A.	Rs. A.	Rs. A.
Cochin	1,401 0	1,662 4	1,774 10	1,549 2
Alleppey	1,361 7	1,657 0	1,781 12	1,562 3
Calicut	1,433 6	1,695 0	1,860 3	1,648 0
Madras	*	1,762 1	1,929 10	1,697 9
Bombay	1,560 0	1,807 3	1,915 1	1,675 12
Calcutta	1,744 0	1,902 3	2,031 12	1,806 6

* Not available.

Production of cocoanuts in the different States in India.

(in thousands)

State	1938—39*	1947—48	1952—53
Madras		15,59,552	17,15,756
Orissa		18,975	33,669
West Bengal		22,205	22,205
Bombay		37,101	47,351
Assam		21,902	21,912
Travancore-Cochin		13,08,088	13,35,478
Mysore		2,86,736	2,73,961
Andaman Islands & Others		*	3,220
Total.		32,56,569	33,54,707

* Figures not available.

Average annual price of cocoanut in some important markets in India in 1954–55.

Market	Price per 1000	
	Rs.	A.
1. Cochin	139	12
2. Alleppey	137	3
3. Calicut	125	15
4. Ambajepeta	105	10
5. Vijayawada	134	15
6. Tiptur	172	10
7. Madras	174	14
8. Bombay	240	13

N.B: First 6 markets are in producing areas. Madras imports nuts mostly by rail from Malabar and from Tanjore while Bombay imports from the West Coast by sea and from Mysore by rail.

Indian Central Cotton Committee, Bombay.

PART I—A

Q: 21. The consignor should be free to choose the mode of transport, i.e. whether by rail, road or steamer and no restrictions should be imposed in this respect.

Q: 29. Shri R. G. Saraiya, a member of the Indian Central Cotton Committee has furnished telescopic rates on cotton as compared with station-to-station rates. The telescopic rates were revised in 1950 and again in 1955 (for haulage under 300 miles). The net effect of the changes in rates for movement of cotton to the main consuming centres from 1948 onwards is shown below :—

Rates in pies per maund.

From	To	1947	1948	1950	Current	Percentage of Col. 6 on Col. 3
1	2	3	4	5	6	7
PALEJ	Bombay	153	175	202	219	143%
	Ahmedabad	72	82	93	100	139%
	Ujjain	170	196	226	226	133%
	Kanpur	438	484	563	534	122%
	Coimbatare	812	788	921	919	113%
SURAT	Bombay	120	137	157	170	142%
	Ahmedabad	105	119	137	137	130%
	Ujjain	203	233	270	270	133%
	Kanpur	471	540	601	601	127%
	Coimatore	780	756	883	902	116%

It will be seen that the revised (telescopic) rates introduced in 1948 were in majority of the cases about 10 to 15% higher than the previous rates and the incidence was further increased by the revisions in 1950 and 1955.

The pattern of revision of railway freight rates on exportable varieties is as follows :—

Rates in pies per maund.

From	To	1947	1948	Current	Percentage of Col. 5 on Col. 4
1	2	3	4	5	6
Akola	Bombay	Not available	275	342	124
Dhuri	Bombay	,,	807	786	97

It may be pointed out that the nominal reduction in rates as from Dhuri to Bombay is available only for very long hauls, over 600 miles, while the bulk of the traffic is carried over shorter distances, resulting in a net increase in charges on movement by rail.

During this period in which the revised rates had been in force, the increased revenue to the Railways is likely to be very substantial, in view of the fact that (1) the cotton crop increased by over 100% from 28½ lakh bales in 1948-49 to 55 lakh bales in 1954-55 (trade estimates) and (2) the railway freight rates had increased by 13 to 43% over the 1947 level.

It is therefore considered that there is a case for the downward revision of freight rates on cotton. It is anticipated that this reduction would increase the earnings of the railways from exports of both raw cotton and cotton textiles. India's development plans are expected to impose serious strain on her foreign exchange resources and any measure affecting these earnings merits serious consideration. The position with

regard to raw cotton and cotton textiles is indicated below:—

Raw Cotton: 3.2 lakh bales of raw cotton were exported during 1954-55 and so far Government has permitted for exports during 1955-56 a quantity of 2.5 lakh bales. Thus, including the quantity yet to be exported out of last year's quota, a quantity of about 4 lakh bales may be exported during the current season. With the expansion in production during the Second Five Year Plan, a larger surplus would be available for export. Any reduction in freight rate would help in finding foreign markets for this surplus in competitive world conditions, thus earning the much needed foreign exchange.

Cotton Textiles: is another valuable source of foreign exchange earnings. India's annual exports are of the order of 800-1000 million yards. Any increase in the freight rates on cotton would add to the cost of manufacture of textiles, jeopardising its competitive ability in foreign markets. There is the intention of raising India's exports to the extent of 1,250 million yards, during the Second Plan, and reduction in freight rates would go to augment exports, thus resulting in greater foreign exchange earnings.

Both cotton and cotton textiles will have to maintain their position under very competitive world conditions. Further, the grower should be assured of a reasonable return for his labours. It is therefore essential that the railway freight on cotton is kept at the minimum level possible.

Indian Central Jute Committee, Calcutta.

GENERAL.

We have very little information on most of the questions given in the questionnaire issued by the Railway Freight Structure Enquiry Committee We, therefore, confine ourselves to the examination of the freight structure broadly affecting jute and jute goods. Material as far as available is also furnished in the enclosed tables as per Annexures V and VIII of the questionnaire.

Jute Goods. Bulk of the jute goods manufactured by the Calcutta mills is exported abroad by sea through the Calcutta Port, and consequently the question of railway freight is of little importance in this case. Some jute goods are, however, consumed within the country and have to travel long distances to reach different parts of India. In this case, therefore, the railway freight forms an important element of the landed cost. We have, however, no detailed information about the freight rates charged for the movement of jute goods inside India. But, in view of the increased trade envisaged in the Second Five Year Plan, a reconsideration of the freight rates for jute goods should be made so as to cheapen the packaging cost of many articles of mass consumption.

Freight rates for raw jute: An examination of the freight rates for raw jute shows that on a mileage basis they are considerably higher than the sea freights from Calcutta to U. K. ports. The freight rates have increased since 1939-40. The extent of increase has been considerable since 1948 owing to the revision of the freight structure and consequent re-grading of jute from class II to class VII. As a result, the freight element has become a heavy burden of incidence on raw jute prices (see tables given under Question No. 7 (a) of Annexure V). As the incidence of all handling and transport expenses incurred between village markets and the terminal market of Calcutta finally falls on the growers of jute, it would appear that they are the real sufferers. The over-all freight element is particularly very high as a considerable quantity of jute is produced in Assam, Bihar, Orissa and northern districts of West Bengal all of which are located at a great distance from the terminal market of Calcutta. Besides, much of the jute grown in U. P. and Tripura also finds its way into Calcutta for mill consumption. It is, therefore, considered desirable that in the interest of the jute growers as well as of the jute industry as a whole, the classification of raw jute should be altered so as to bring down the freight rates to a reasonable level.

Shortage of Wagons: Although wagon supply position so far as movement of raw jute from upcountry centres to Calcutta has improved, complaints are received every season from places in Northern Bihar, Northern West Bengal and Uttar Pradesh about inadequacy of wagons. Whenever there is any transport difficulty at any station, it tends to depress the raw jute prices to the ultimate disadvantage of the growers. Besides, irregular arrivals of jute into Calcutta and mill areas are also liable to cause extreme difficulty to the industry which is the second biggest in India and on whose proper and smooth functioning depends the interest of some 3 lakh workers. The Railway authorities should, therefore, see if the policy of preferential traffic could be extended to raw jute.

Pooled Freight: The main centre of raw jute consumption is Calcutta while jute is cultivated in the interior of West Bengal, Bihar, Assam, Orissa, Uttar Pradesh and Tripura. Most of the jute growing areas of these States are located at great distances from Calcutta. The jute growers of these areas are, therefore, at an economic disadvantage compared to their counterparts in places near Calcutta. The introduction of a pooled freight for raw jute is likely to remove

this disadvantage to a considerable extent. Further, its introduction is also likely to give an incentive to the growers to increase their jute acreage as their profit-margin will be higher than at present. This will also give an impetus to our drive for increasing the production of improved jute in India as most of the areas suitable for production of good jute are located in the interior of Assam, Bihar and northern districts of West Bengal.

A heavy responsibility lies on the railways for keeping pace with the increased demand for wagons in course of our production drive in the agricultural and industrial sectors. It should be their duty and function to see to it that raw materials required by the various industries are moved to their doors at the right time and manufactured goods are also moved likewise to places where they are required. The transport capacity will therefore have to be increased to cope with the increased volume of movement. This will no doubt involve considerable investment. While the financial stability of the railways cannot be ignored, it is at the same time felt that there is a pressing need for rationalisation of the freight structure so as to relieve the producers of the heavy incidence that they have to shoulder at present.

ANNEXURE V.

Q: 1. Approximately 28·3 maunds of raw jute are required to produce 1 ton of manufactured goods.

Q: 2. ***Production of Jute goods in India.***

Total production (000 tons.)	Estimated percentage of production	
	West Bengal	Outside West Bengal
1938—39 11,58	96·3	3·7
1947—48 10,76	95·3	4·7
1952—53 9,28	95·1	4·9
1953—54 9,01	95·1	4·9
1954—55 10,41	95·1	4·9

Q: 3 & 4. Not available.

Q: 5. ***Arrivals of Raw Jute into Calcutta and Mill Stations by different means of Transport.***

(Period) (July-June.)	Rail (000 bales)	Vessel (000 bales)	Boat (000 bales)	Other sources (000 bales)	Total (000 bales)
1952—53	2339·4 (56·4)	726·8 (17·5)	213·7 (5·2)	865·4 (20·9)	4145.3 (100·0)
1953—54	1957·7 (52·5)	914·2 (24·5)	85.0 (2·3)	773·5 (20.7)	3730·4 (100·0)
1954—55	2116·8 (47·8)	841·8 (19·0)	38·9 (0·9)	1430·3 (32·3)	4427·8 (100.0)

Figures in brackets indicate percentages.

Q: 6. Not available.

Q: 7 (a). ***Monthly Average Prices of Loose Jute in Calcutta (Bottom Grade)***

(Per maund)

1954—55	Northern	Western	Orissa	Upper Assam
	Rs. a. p.	Rs. a. p.	Rs a. p.	Rs. a. p.
July ...	22 10 0	20 4 0	23 2 0	22 2 0
August ...	24 10 0	22 5 0	25 2 0	24 4 0
September ...	26 12 0	24 3 0	27 9 0	26 6 0
October ...	26 14 0	24 8 0	27 10 0	26 7 0
November ...	29 3 0	27 1 0	29 14 0	28 11 0
December ..	30 3 0	28 1 0	31 0 0	29 10 0
January ...	34 5 0	31 15 0	34 8 0	33 13 0
February ...	38 11 0	36 10 0	39 1 0	38 0 0
March ...	35 11 0	33 10 0	35 13 0	35 2 0
April ...	34 4 0	32 9 0	34 11 0	33 12 0
May ...	31 4 0	29 10 0	31 12 0	30 12 0
June ...	27 12 0	26 7 0	28 3 0	27 0 0
Annual Average ...	30 3 0	28 2 0	30 5 0	29 11 0
	From Belakoba.	From Purnea	From Danpur.	From Nowgong.
Freight to Calcutta ...	1 10 11	1 5 0	1 10 0	3 1 0
Percentage of freight to Calcutta market price.	5.60	4.66	5.38	10.30

Monthly Average Prices of Loose Jute in Calcutta (Bottom Grade)
(Per maund)

	1938—39‡	1947—48		
	Indian Jat.	Jat White	District White	Upper Assam
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
July ...	5 4 0	30 9 0	28 13 0	N. A.
August ...	5 11 0	27 5 0	26 2 0	,,
September ...	5 6 0	28 10 0	27 6 0	,,
October ...	5 13 0	31 3 0	30 2 0	29 8 0
November ...	5 14 0	31 0 0†	29 15 0†	29 1 0
December ...	5 13 0	33 5 0	31 10 0	30 1 0
January ...	6 5 0	34 15 0	33 3 0	31 14 0
February ...	7 10 0	34 8 0	32 15 0	30 14 0
March ...	7 10 0	33 9 0	32 4 0	30 0 0
April ...	7 14 0	34 10 0	32 8 0	30 7 0
May ...	8 12 0	38 5 0	36 6 0	34 10 0
June ...	7 12 0	39 2 0	37 2 0	35 6 0

† From 20th November '47 prices are inclusive of Pak. duty.
N. A. : Not available. ‡ Mid-monthly prices are shown.

Changes in the Freight Rates to Calcutta for Raw Jute (Mechine Pressed).
(Per maund.)

From.	1939—40	1952—53	1954—55
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Purnea (Bihar)	0 10 1	1 3 8	1 5 0
Cuttack (Orissa)	0 10 0	1 1 5	1 8 0
* Nowgong (Assam)	1 0 10	2 14 7	3 1 0

* Rail-cum-Steamer service.

Statement showing change of Raw Jute (Machine Pressed) Freights during 1953 to 1955 to Calcutta.

From.	Rate per maund during the periods.			
	1—1—53 to 14—10—54.	15—10—54 to 14—2—55.	15—2—55 to 31—3—55.	1—4—55 to up-to-date.
(1)	(2)	(3)	(4)	(5)
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1. Belakoba	1 11 4	1 12 8	1 13 5	1 15 8
2. Purnea Jn	1 3 8	1 5 0	1 5 9	1 7 8
3. Nowgong*	2 14 7	2 15 11 (Up to 14—1—55) 3 0 5 (from 15—1—55)	3 1 7	3 3 0

* Rail-cum-steamer service.

(b). *Monthly Average Prices of Standard Jute Goods.*
Hessian (8 oz 40")
(Per 100 yds).

Month—Season.	1938—39	1947—48	1954—55
	Rs. a. p.	Rs. a. p.	Rs. a. p.
July ...	7 1 0	43 13 0	37 5 0
August ...	7 0 0	48 7 0	37 7 0
September ...	7 3 0	49 2 0	39 0 0
October ...	7 13 0	46 6 0	38 3 0
November ...	7 12 0	43 9 0	38 0 0
December ...	7 13 0	45 12 0	36 13 0
January ...	8 4 0	47 8 0	37 6 0
February ...	9 4 0	43 11 0	38 2 0
March ...	9 2 0	41 4 0	36 11 0
April ...	9 9 0	39 2 0	35 8 0
May ...	9 10 0	40 2 0	34 10 0
June ...	9 1 0	37 14 0	34 1 0

Sacking (B. Twills).

(Per 100 bags).

Month—Season.	1938—39	1947—48	1954—55
	Rs. a. p.	Rs. a. p.	Rs. a. p.
July ...	21 0 0	109 6 0	107 13 0
August ...	21 0 0	111 12 0	109 8 0
September ...	21 4 0	113 11 0	116 15 0
October ...	23 2 0	117 2 0	113 15 0
November ...	23 2 0	117 5 0	122 5 0
December ...	23 7 0	121 13 0	119 13 0
January ...	24 11 0	123 9 0	122 12 0
February ...	27 5 0	116 12 0	129 12 0
March ...	27 3 0	114 6 0	127 11 0
April ...	27 14 0	117 8 0	121 13 0
May ...	28 3 0	130 6 0	113 10 0
June ...	27 0 0	131 12 0	107 6 0

Sacking (Heavy Cess).

(Per 100 bags).

Month—Season.	1938—39	1947—48	1954—55
	Rs. a. p.	Rs. a. p.	Rs. a. p.
July ...	21 0 0	108 0 0	108 3 0
August ...	20 12 0	108 3 0	107 1 0
September ...	20 13 0	108 8 0	117 5 0
October ...	22 9 0	113 4 0	117 7 0
November ...	22 13 0	115 6 0	122 12 0
December ...	23 7 0	118 0 0	119 11 0
January ...	24 13 0	120 3 0	121 8 0
February ...	29 4 0	116 9 0	129 2 0
March ...	28 13 0	114 0 0	127 14 0
April ...	27 14 0	117 7 0	122 7 0
May ...	27 8 0	129 1 0	114 10 0
June ...	26 12 0	129 9 0	108 6 0

Q: 8. Not available.

ANNEXURE—VIII.

Q: 1. ***Production of Jute and and Mesta in different States***

(000 bales).

States.	1938-39.		1947-48.		1952-53.		1953-54.		1954-55.	
	Jute.	Mesta.	Jute.	Mesta	Jute.	Mesta.	Jute.	Mesta.	Jute.	Mesta.
West Bengal	5755 (a)		649		2363	50	1499	36	1496	418
Bihar	461 (b)		403		879	27	601	16	374	43
Assam	570	N. A.	536	N. A.	925	8	807	9	750	6
Orissa	58		44		256	50	129	34	192	41
U. P.	...		...		124	...	55	...	70	...
Tripura	...		26		58	...	38	...	46	...
Total	6844		1658		4605	135	3120	95	2928	508

(a) Figure relates to undivided Bengal including Cooch Behar and Tripura.

(b) Including imports from Nepal.

N. A.—Not available.

Q: 2. Not available.

Q: 3. See table given in reply to Q. 5 of Annexure V.

Q: 4. *Balers' Monthly Average Price of Loose Jute.*

(Bottom Grade).

(Per Standard Maund).

1954—55	Sheoraphuli (Tossa).	Belakoba (White).	Purnea (White).	Danpur (White).	Nowgong (White).
July '54	22 6	N. T.	18 0	19 3	18 5
August ,,	25 3	N. T.	20 13	20 5	19 8
September ,,	26 6	23 4	23 2	22 15	21 4
October ,,	26 4	22 10	23 0	23 15	21 4
November ,,	28 8	24 6	24 7	26 5	22 15
December ,,	29 9	26 7	25 14	27 14	24 4
January '55	33 7	30 5	29 7	31 10	28 4
February ,,	36 13	33 6	34 7	35 5	32 5
March ,,	33 4	30 3	31 8	31 14	N. T.
April ,,	33 1	28 0	29 4	30 15	N. T.
May ,,	30 7	N. T.	27 1	29 0	N. T.
June ,,	26 9	N. T.	23 1	25 8	N. T.
Average (yearly)	29 5	27 5	25 13	27 1	23 8

N. T.—No transaction.

Freight per maund of Raw Jute (Machine-pressed)

(1954—55)

Centre.	Freight up to Calcutta.	Remarks.
	Rs. a. p.	
Sheoraphuli (West Bengal) ...	0 3 0	By country boat.
	0 4 0 to 0 10 0	By motor truck.
Belakoba (West Bengal) ...	1 10 11	By rail.
Purnea (Bihar) ...	1 5 0	By rail.
Danpur (Orissa) ...	1 10 0	By rail and boat.
Nowgong Assam ...	3 1 0	By rail-cum-steamer.

Percentage of Freight to the Local Market Prices

(1954—55).

Centre.	Average Price (yearly)	Freight.		Percentage of Freight.
		Boat.	Rail.	
		Rs. a. p.	Rs. a. p.	
Monoharpur ...	29 5	0 4 0	—	...
Belakoba ...	27 5	—	1 10 11	6.19
Purnea ...	25 13	—	1 5 0	5.07
Danpur ...	27 1	0 2 0	1 8 0	6.02
Nowgong ...	23 8	—	3 1 0†	13.02

† Rail-cum-steamer.

Q: 5. Not available.

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PART I-A.

(b) Principle of Telescopic rates have been helpful.

It has not acted adversly to the interest of the Shellac Industry.

(c) No.

Q: 3. (i) Yes. The number of Class rates and Wagon load scales are considered adequate.

(ii) (a) Legs should be of 200 miles.
(b) The Class rate in each leg of 200 miles should be suitably modified.

Q: 4. This should apply to all commodities.

Q: 5. No change suggested. Existing practice should continue.

Q: 6 to 14. No reply.

Q: 15. We do not agree with the suggestion.

Q: 16. Suggestion (iii) acceptable.

Q: 17. Not likely to be of concern to the Shellac Industry.

Q: 18. Yes. For express goods services there should be an additional charge.

Q: 19 & 20. Not concerned.

Q: 21 (a). 150 miles.

(b) Freight rates on short distance traffic may be raised in order that such traffic may be diverted by other means of transport.

(c) Yes.

Q: 22. Railway rate for carrying 1 maund shellac by goods from Ranchi to Calcutta, i.e. 250 miles 15 As. Rate by truck, Rs. 2/- per maund approx.

Q: 23. Suggestion for the creation of freight pool acceptable for essential commodities like Coal, Iron, Jute, Cotton, Cement, Petrol. Kerosene oil, Manures, Salt and Seeds and Food Grains for calamity stricken areas on ***All India basis.***

Q: 24. Yes.

Q: 25. Railways on the advice of the Industries concerned as far as possible.

Q: 26. Freight structure should be so modified that the cost of the development plans of the railways under the Second Five Year Plan is met from the railways revenues.

Q: 27 & 28. No information.

Q: 29. Shellac Industry not affected.

Q: 30. Not concerned.

Q: 31. Economics of transportation and the needs of railway finance are important and the freight rate structure policy should be framed in such a way that the cost of the services rendered by the railways yields sefficient revenues for meeting the running expenses and the cost of the development plans of the railways envisaged under the Second Five Year Plan. The main objective is of course the industrial development of the country but if in any particular case it is found that the high rate chargeable (if only needs of Railways finance are kept in view) are likely to impede the development of this industry then the freight rate for this particular industry may be lowered. The loss in revenue thus caused may be recouped from other goods where this is not likely to react so unfavourably.

Q: 32. Yes.

Q: 33. No.

Q: 34. Yes. The cost to be realised must be spread over sufficiently long period, so that the inflated mileage be not more than three to four times the actual mileage.

Q: 35 See reply to question Nos. 26, 31. 34 and 23.

Railway freight structure should be so adjusted that the cost of essential goods does not differ much from place to place.

Q: 36. All services which are being performed at present, the cost of these services be met from current revenues but if it is found that this results in the freight rates becoming unduly high, part of the cost of the development plans may be met by drawing on reserves or borrowing.

Q: 37. The rate for the same type of goods manufactured by Cottage Industries and factories should be lower for the Cottage Industry products, e. g., rate for handloom cloth should be lower than that for mill cloth.

Due to the peculiar location of mechanised factories and cottage factories of lac it would help the Cottage Industry if the rate for despatching stick lac (raw-material) to Calcutta is double the usual rate for shellac.

Q: 39. In fixing freight rates the case of every commodity must be considered on its merits. Though as a general principle economic rate (i. e. based on the cost of transport) must be applied, some exceptions may have to be made in the interest of the development of the country. In this connection the special case of stone chips for building road, sand, logs of wood etc., and similar other things may be kept in view.

Q: 40. Freight rates on the commodities mentioned here may be suitably raised.

Q: 41. No.

Q: 42. A substantial part of the traffic now moves by road from Bihar to Calcutta.

Q: 43. Not influenced the Shellac Industry.

Q: 44. F. O. R. forwarding station.

Q: 47. (ii) Yes, By railways.

Q: 55. Freight rates should be published in a simple form, if possible, on station to station basis in Hindi and in local languages.

PART II

Q: 2. (a) Shellac never insured.

(b & c) Do not arise.

Q: 3 None.

Q: 4 (a) Figures not available; but generally speaking there has been an increase since 1947-48 to-date.

(b) Volume of traffic is the same for shellac.

Q: 5 (a) Claims arise due to all causes mentioned specially due to (i). As figures are not available it is not possible to give the proportion of each.

(b &c) Not available.

Q: 6. Not available.

Q: 7 (a) As only well packed and properly labelled goods are accepted for despatch the number of claims is lower than it would otherwise have been.

Generally speaking, traders have been benefitted.

(b) It has not operated to the disadvantage of the railways. There should be only one rate viz, Railway risk rate except for fruits and vegetables.

Q: 8. In order to reduce claims only railway risk rates should be quoted in all cases.

Q: 9. Only railway risk rate should be quoted.

Q: 10. Yes.

Q: 11. Perishable goods like fruits and vegetables may be put under the excepted categories and be put under the owners risk classification. For all other commodities only railway risk rate should be quoted.

Q: 12. No.

Q: 13. Railways risk rate should only be quoted.

Secure packing must be insisted upon, so that there may be no danger to other commodities and the possibility of compensation claims arising is minimised.

Q: 15. Good secure packing should be insisted upon before a consignment is accepted for despatch. If possible packing conditions for different commodities may be specified.

Q: 16. Yes. Packing conditions may be modified for as many commodities as possible. There should be no relaxation in packing conditions at the time of accepting goods for despatch. Lac products should be accepted for despatch only if packed in double bags.

Q: 17 (a) Warehouse facilities for storage for goods prior to despatch and delivery may be improved wherever necessary.

(b) Railways.

Q: 18. (a & b) Railways must assume full responsibility for the goods carried by them at railway risk.

Q: 19. We agree that bulk of claim for compensation arises from theft and pilferages. The following steps should be taken to meet the situation:

(i) The watch and ward staff should be strengthened.

(ii) Government railway police should be increased.

(iii) Exemplary punishment after summary trial by Railway Magistrates.

(iv) Provision of armed guards on goods trains.

Q. 20. Figures not available.

Q: 21. Settlements of claims and compensation should be more prompt than at present. Immediate delivery should be arranged for short consignments.

PART III.

Q: 1. (a) No.

(b) Tribunal should be given the power to intiate investigation in regard to freight rates.

Q: 2. Present position is regarded as satisfactory.

Q: 3 & 4. No.

Q: 5. A time limit should be imposed for disposing off the cases.

Q: 6. No information.

Q: 7. Knowledge of law and experience of putting up cases perhaps stands in the way.

Q: 8 & 9. No.

Q: 10. (a) and (b) Yes.

Q: 11. The Railway Rates Tribunal should continue as an independent judicial body having the power of fixing freight rates and dealing with complaints arising therefrom. Its recommendations should be of a binding nature.

Q: 12. No.

National Dairy Research Institute,
Karnal.

Q: 19. Current rate for either loading or unloading heavy articles by crane is Rs 60/- plus As. 12/- per mile from the place the crane is brought. It is suggested that crane should be made available to the party at the particular railway station concerned. No demurrage should be charged for delay in the supply of crane for lifting goods. Crane charges are very exorbitant and should be reduced to Rs. 30/- only. As. 12/- per mile should not be charged for getting the crane from another railway station.

Q: 20. Current rates for transportation of animals are very high i.e Rs. 50/- minimum per wagon even if one animal is sent. It should be reduced to Rs 30/- to encourage disposal of animals by Government Institution as well as as private parties to distant places in India.

The Regional Director (Food), Central Region,
Hyderabad.

PART II.

Q. 5(a) & (b).

S. No.	Reasons of Shortage.	Total amount claimed.	Amount so far realised.	Amount actually rejected due to time barred.	Amount rejected due to other reasons.	Amount yet to be realised.	Amount likely to be rejected due to time barred.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Thefts & pilferage. ...	2,31,908 14 0	10,064 14 8	2,20,180* 0 0	571 7 0	1,31,297 1 10	807 0 0
2.	Misdespatch ...	...	...	...	...	...	...
3.	Deterioration...	...	...	...	...	...	...
4.	Fall in prices owing to delay in transit ...	...	...	...	...	...	...
5.	Damage to consignment due to rough shunting and rough handling. ...	...	...	...	...	...	...
6.	Leakage & Damage due to wet ...	48 13 0	45 10 0	...	...	...	...
7.	Any other well defined cause.	...	...	...	...	...	...
	Total	2,31,957 11 0	10,110 8 8	2,20,180 0 0	571 7 0	1,31,297 1 10	807 0 0

*Figure shown in Col. 7 also under correspondence after they have been rejected by railways.

Q: 7. (i) In view of the observations made from time to time it is felt that provision of ware housing facilities for storage of goods prior to despatch or after delivery at principal and mandi stations will help to a great extent in removal of congestion at stations and consequent, timely release of the stocks and subsequent increase in earnings on an average for each unit of the railway. Besides, the scheme would be most welcome by the mercantile community as well, as at present the merchants from outside seeking favour-

able rates book their consignments to bigger markets, and in absence of the above facilities and due to limited storage accommodation at the destination stations are compelled either to dispose of their goods at reduced rates, when the markets are not favourable to them or they have to pay heavy storage charges generally demanded by the local people who own such storage accommodation in big cities near about the Railway stations.

At present the goods if undelivered even after the free time are generally allowed to remain either on the unloading platform or in the goods shed for about a month or so, after which a notice is served upon the consignee for making immediate arrangement of delivery and removal of goods from the railway premises. In case the consignees do not turn up for effecting delivery for a month or so, the goods are then transferred to the Lost Property Office where they are disposed of by auction under the Railway Rules after retaining them for about a period of six months from the date when the goods are tendered for despatch by rail.

Before the goods are transferred to Lost Property Office, the unloading platform and/or inward goods shed remain congested, with the result that some times the loaded wagons placed in position for unloading have to remain under load for considerable time for want of space. Similarly, very often the loaded rakes have to remain in the yard for several days particularly at big stations.

Again, although the railway recovers wharfage (ground rent) for the goods which remain undelivered or are not removed from the premises within free time allowed, yet the wharfage charges thus recovered have little comparison to the detention caused to the wagons which if released in time would bring much more revenue to the Government. Even in cases where the consignments are booked under 'L' - Condition when the loading and unloading is required to be done by the owner who are required to pay demurrage charges if the wagons are not released in the prescribed time, yet the demurrage charges likely to be recovered from such parties are not so beneficial to the railways because more the turn round of wagon more the turn over, and better shall be the results.

When the ware-houses facilities are provided, the consignments, if not removed within the free time allowed by the railways would as a rule be transferred to the ware-houses and this practice would naturally help in removing the congestion at the loading or unloading platforms and in the goods-sheds and subsequently would result in quick and timely release of wagons without causing any detention to the stocks. It may, however, be suggested that as an experimental measure the facilities of providing ware-houses be limited to few principal stations in the beginning and can be extended to other stations by and by if found satisfactory and beneficial.

Availability of space for construction of ware-houses:—Provision of such warehousing facilities would essentially need huge space either within the railway premises or near about thereof. In cases where such space is limited, it may be suggested to have a multistoreyed construction which may be provided with hoists for lifting the goods to and from the different store of the buildings.

Rates: Railways may not charge the flat rates for all type of traffic but the same principle of what the traffic can bear applicable to the goods traffic may as well apply in fixation of rates for ware-housing the goods. To arrive at the rates chargeable, a complete survey of the expenditure likely to be incurred in construction of the warehouses, their maintenance, recurring expenses, for the staff etc., and the earnings likely to be realised may have to be carried out in the first instance. Evidently former depends upon the latter *i.e.*, cost and size of construction required for such warehouses would naturally depend upon the magnitude of the traffic; figure for the last five years may be compiled and average per year struck. We may tap the following sources to arrive at the above figures.

1. We may contact the owners of the ware-houses situated near the railway Stations who generally store the goods prior to despatch by rail or after delivery from the railways.

2. We may contact the big parties who generally have frequent dealings with the railway and their opinion regarding the quantum of traffic which may need ware-housing prior to despatch or after delivery from the railways.

3. The railway records relating to the wharfage charges may be referred to. This will indicate the quantity retained in the railway premises beyond the free time allowed. The information may be compiled commodity-wise, if possible, which will help the railway in classification of ware-housing rates.

N.B.: 1. Warehousing scheme may be applicable only to such commodities which need shelter and are likely to get damaged if allowed to remain in the open.

2. Goods would be transferred to the ware-houses if left undelivered and not removed from the railway premises within the free time allowed by the railway.

3. Goods when removed to the ware-houses will be at the risk of the owner.

4. Shifting charges will be extra and in addition to the warehousing charges.

5. The warehousing rate may be prescribed on telescopic basis which should increase with the number of days.

Warehousing scheme when adopted throughout would help to a great extent the Government of India to solve the unemployment problem throughout the country.

(b) It may be suggested that such warehousing scheme may be taken up by the railways themselves and for each zone a separate Directorate may be set up with adequate technical and administrative staff. In the first instance it would be advisable to choose and earmark the stations where ware-housing facilities are necessary, secondly, to arrive at the quantum of traffic likely to be handled, a commercial survey as suggested above may be carried out which should give the net results keeping in view the expenditure to be incurred and the income to be realised. It will also indicate whether the scheme would be beneficial or not.

The Regional Director (Food),
Madras.

PART I-A

Our comments deal only with the movements of following commodities:—

Rice, Wheat, Sugar, Fertilisers and Gunnies including Jute Twine.

Q: 1 (a). There seems to be a lot of difference in the wagon load scales of the different commodities of foodgrains, sugar, fertilisers etc. as all these belong to different class of weights. For instance, Rice which is a staple agricultural commodity in frequent movements, is classified under 8th class having to pay .92 pie per md. per mile for the first 300 miles, whereas wheat comes under 3rd class having to pay .64 pie, Sugar under 4th class. All these may be treated in one category as foodgrain commodities.

It is not known why Gunnies and Jute Twine should be treated in the 7th Class having to pay much higher freight. This should also be brought down on a par with the foodgrain commodities.

The same disparity is found in the classification of fertilisers. Urea comes under the 12th class, Ammonium Sulphate under 3rd for Railway Risk and 2nd for Owner's Risk, Ammonium Sulphate Nitrate under 5th and 4th classes. Urea is now classed as an Industrial chemical and not as a fertiliser. So far as freights are concerned, increased freight is charged. It would be desirable to bring it down to the level of other fertiliser.

Q: 5. (*1*) *Terminal charge:*-At present for goods loaded by sender the terminal charges is 6 pies at the loading station and 6 pies at the unloading station over and above the 3 pies for Madras Port Trust, and for goods loaded by the Railway labour it is 8 pies at the loading station and eight pies at the unloading station. It is felt that the present terminal charge for L condition goods is too high and calls for reduction, as the labour charges for loading by the sender is much higher than the difference of 2 pies per md. Further the charge of 6 pies per md. is only for allowing the sender to send the goods at his own cost and it will have such small services like rivetting and putting the seals on the cards of the wagons.

The minimum charge for 20 miles (short distance) works out to be heavy in the case of bulk movement of foodgrains from Madras Harbour to Avadi. It is suggested that where over a minimum bulk quantity of 500 tons is moved to Avadi in one instalment, short distance charge for 25 miles should not apply but only the actual distance charge.

Q: 10. This is already dealt with under Clause 3.

Q: 12. According to the present uniform rate of minimum charge for consignments in wagon loads Rs. 1/12/- per ton on the carrying capacity works out favourably for movement of foodgrains to short distances than to the short distance charge. The Railways now charge the higher of these two. It may be suggested that for foodgrains sponsored on Government account, the minimum charge at Rs. 1/12/- per ton on the carrying capacity may be applied.

Q: 21. (a) For distances less than 10 miles alternative methods of transport should be encouraged as Railway movement will be slow compared with the distance covered and wagons capacity will be wasted.

(c) Adjustment of freights for long distance traffic may be done to bring down the disparity between the Railway freight and the shipping freights.

Q: 22. At present freight rates for short distances for wagon loads are more economic than for road transport. For distances less than 10 miles, the freight rates can be raised so as to make them more uneconomic than by road so as to discourage using of wagons for very short distances.

Q: 23. It is desirable to create a freight pool in regard to foodgrains, sugar, etc., so as to avoid disproportionately high freight charges with a view to keep a uniform price level in the country. This may be done on an all India basis. The exclusion of the traffic moving over a minimum distance from the freiget may be considered.

Q: 47. The proposed legislation for establishing National Warehouses for storage of foodgrains and run on a co-operative basis might give a solution to the difficulties of the small agriculturists.

PART II.

Q: 1. (a) So far as the movement on despatch of Government cargo is concerned, we book it at the owner's risk wherever such a rate is available but in the case of sugar wherever f. o. r. destination despatches are made, these are moved on Railway Risk.

(b) Only in the case of sugar even where there is an alternative owner's risk, despatches are made only at railway risk.

(c) Not Known.

Q: 2. (a) So far as the Government is concerned no separate insurance is made.

(b & c) Not known.

Q: 3. Not Known.

Q: 4. (a & b) Not known.

Q: 5. (a) Exact quantum of payment in respect of compensation claims paid by the railways is not known. It however appears that most of the claims arise from thefts and pilferages.

(b & c) Not known.

Q: 6. Since only despatches are made from the harbour, the question of preferring any claim does not arise. For the purpose

of evaluating claims. receiving centres *viz.* Central Government Godowns and other State Government Godowns may please be referred to.

Q: 7. (a & b) Not known.

Q: 8. In order to facilitate the expeditious discharge and safeguard the interests of the sender it is desirable that both owner's risk rates and railway risk rates should be available for all commodities either in smalls or wagon loads. Ths sender should have the option of selecting the rates to the best of his advantage.

Q: 9. Nothing to comment.

Q: 10. Please see answer to Q: 8.

The present basis of charging on railway risk classification appears to be on the nature of the cargo and on the volume of traffic between different stations, etc., which seems to be quite sound.

Q: 11. We are not concerned with this clause as we do not deal with goods coming under the "excepted category".

Q: 12. It will no doubt be difficult both on the part of railways and senders to have partial relief of risk. It may complicate the rates so much as to make it unworkable.

Q: 13. Nil.

Q: 14. In the case of commodities like sugar imported by the Government, the Bill of Lading weight of each bag is taken into account by the Government in despatching the consignment to destinations But the railways refuse to accept the Bill of Lading weight and they go only by the weigh-bridge weight which is not always correct. In the case of Government consignments the railways may accept the Bill of Lading weight in the case of sound bags for despatching commodities like sugar.

Q: 15. For bagging foodgrains, sugar etc., the railways accept railway risk only if the bagging conditions laid down are strictly adhered to. If double gunnies are not used for bagging sugar, the railways do not issue unqualified receipts to the effect that the bagging is as per the railway rules. This leads to difficulty, as none of the imported bags bagged in the hatch of the steamer at the port conforms to this. The railway may accept bagging in single gunnies when they are in perfectly sound candition in the case of Government cargoes.

Q: 16. No comments.

Q: 17. (a) The Government of India have in view the provision of warehouse facilities for the storage of foodgrains bagged in sound condition, at the important stations on a co-operative basis.

(b) Since Government of India are taking up this matter no separate comment is necessary.

Q: 18. (a) Under this legal position it is very difficult to apportion the responsibility as the question of reasonable care by the bailee cannot always either be proved or disproved.

(b) This is definitely a very satisfactory method of booking as the railways should assume full responsibility for the transport of the commodities entrusted in their care eventhough the rates may be slightly higher. Those parties who want to have more safeguard for their commodity may choose the higher rate and ensure safe transport of their commodity. The railway rates may be enhanced suitably.

Q: 19. By tightening up security measures and enlisting public co-operation, this difficulty can be tackled.

Q: 20 & 21. The figures are not available. The method of sending the claims should be precise and quick.

PART III.

GENERAL.

We have no comments to make regarding the above part of this questionnarie as this deals with the functions of the Railway Rates Tribunal with which we are not concerned.

Ministry of Commerce & Industry,
New Delhi.

PART I-A

Q: 1. (a) Adoption in 1948 of the revised general classification of goods has effected adversely the Automobile Industry as will be evident from the statement furnished below:—

		RAILWAY FREIGHTS.		
		In 1939.	On 1—10—48.	On 1—6—49.
		Rs. a. p.	Rs. a. p.	Rs. a. p.
From Howrah to Delhi.	Railway Risk	198 7 0	293 8 0	471 4 0
	Owner's risk.	171 14 0	247 11 0	397 15 0
From Howrah to Bombay.	Railway Risk	309 6 0	385 3 0	617 15 0
	Owner's risk.	267 3 0	328 2 0	526 11 0
From Howrah Madras.	Railway Risk	261 12 0.	329 15 0	529 9 0
	Owner's risk.	226 13 0	279 15 0	449 9 0

It would be noticed from the above statement that the freights from Howrah to Delhi, Bombay and Madras went up on 1-6-49, *i. e.* ten months after 1-10-48, by about 60%, and it is this increase which has hit the industry the hardest. They have been protesting against it since then, but without any effect. It is true that the Railway Board have not increased their rates per maund per mile for carrying motor vehicles after 1-10-48 but they effected indirectly a heavy increase on 1—6—1949 by charging 80 maunds per wagon carrying a motor car against 50 maunds charges for upto 31-5-49. This is what accounts for almost 60% increase over rates charged to the consignee from 1-10-48.

(c) In the manufacture of soda ash by M/s. Dharangdhra Chemical Works, Dharangdhra, salt has to be transported over a small distance of about 14 miles from Kuda to the works in the metre gauge section of the Western Railway, in the Gondal region. The freight rate on salt on the basis of short haul has raised the price of salt considerably and this tells upon the final cost of production of soda ash.

Q: 2 (a). In so far as certain principal chemicals and their raw materials are concerned, the present rating arrangements in the railway freight are not very helpful to the legitimate needs of the Industry. The incidence of the railway freight on the ex-factory cost of the raw materials and the final cost of production of the finished products is sufficiently high and as such these freight rates deserve to be reduced.

For instance, although gypsum is available in plenty in the country, M/s. Fertilisers and Chemicals (Travancore) Ltd., Alwaye have found it econmical to import gypsum from Cyprus, because the cost of this raw material for the manufacture of ammonium sulphate is prohibitive when transport costs are added to it from Rajasthan.

Similarly, ammonium chloride manufactured by M/s. F. A. C. T. is not able to compete with the imported chemical near ports such as Bombay and Culcatta when the cost of freight from Alwaye to these places is added to the cost of production. A lower freight rate will therefore help to remove this handicap.

Q: 7. Yes In the manufacture of soda ash by M/s. Dharangdhra Chemical Works, Dharangdhra, salt has to be transported over a small distance of about 14 miles from Kuda to the works in the metre gauge section of the Western Railway, in the Gondal region. The freight rate on salt on the basis of short haul has raised the price of salt considerably and this tells upon the final cost of production of soda ash. There may be other such instances too.

Q: 8. The charge on empty haulage may be abolished altogether in the case of liquid commodities.

Liquid chemicals such as sulphuric Acid, hydrochloric Acid, liquid ammonia, liquid chlorine, liquid caustic soda are basic chemicals required by the industries and a reduction in their transport charges by abolishing empty haulage charge in the case of tank wagons will aid the development of Chemical Industries.

Further, liquid chlorine is transported in steel cylinders and hydrochloric acid in stoneware jars and rubber drums. As the weight of these containers are substantially high, the freight borne by the actual chemical is almost double its weight. The charge for haulage of these empty cylinders, stoneware jars and rubber drums should be abolished.

Q. 9. In this connection we may mention a particular reference made to us by the Lamp Manufacturers Association in respect of freight rates on electric lamps. It has been represented to us that the industry has been experiencing considerable difficulties in rail transport as electric bulbs are regarded as glass materials and the rates of insurance and freights for these electric bulbs are the same as for other glass materials. They have requested that in view of the fact that the use to which electric lamps are put into is different from the other types of glass materials, special rates of freight and insurance should be evolved by the railways for the conveyance of these lamps over the railways to their various destinations.

Q: 10. According to the goods Tariff in force now, the following classification for alkali chemicals have been indicated:—

Item	Telescopic class rates		Wagon load scale
	R.R.	O.R.	
Caustic Soda (Solid)	4	—	WL/B
Caustic Soda (Liquid)	4	3	—
Bleaching Powder	4	3	—
Liquid Chlorine	14	13	—
Hydrochloric Acid	15	—	—
Soda ash	4	3	WL/B
Coal & Coke	—	1	—
Furnace Oil	—	3	—
Salt	—	—	WL/I
Limestone	—	—	WL/C

It will be advantageous for the development of the alkali chemical industries if the freight rates are reduced both on the finished products and the raw materials. For reasons of location factors like the availability of raw materials, water and power facilities etc. most of the alkali factories are situated away from the port towns and the main consuming centres. Some of the factories are also situated away from the principal raw materials like limestone, salt and coal. Therefore, on the one hand the raw material are transported from their sources to the factories and the finished products are transported from the factories to the consuming centres and in most cases the distances are considerable varying from 200 to 2000 miles. Naturally the incidence of the freight on the raw materials and the finised products are sufficiently high and any reduction in freights would definitely help in the development of the industries.

At present due to the difficulty of transport of coal and the short supply of packing steel drums, major part of caustic soda is being processed as liquid caustic soda and is transported in mild steel railway tank wagons. Under the present freight tariff, both caustic soda (solid) and caustic soda (liquid) have to bear the same freight charge, although the customer only gets half of equivalent caustic soda in the case of liquid caustic. Therefore, the freight rate of liquid caustic should be reduced to half of the

existing freight rate of solid caustic. Similarly there should be provision for cheap wagon load rates for bleaching powder, liquid chlorine and hydro chloric acid.

Complaints have been received regarding low category alloted to chemicals. An upward revision of the category for chemicals by two steps is suggested.

We have also received complaints from biscuit manufacturers, flour mills and oil mills expressing difficulties in the transport of finished goods and also in the supply of tank wagons at various stations.

Q: 23. Chemicals like soda ash, caustic soda, bleaching powder and calcium carbide are needed in different parts of the country and have to bear disproportionately high freight charges owing to their transport over long distances. It will be advantageous for the development of these industries to keep fairly uniform freight rate for these commodities irrespective of distance. If this action is possible through the formation of a freight pool these commodities may be included in the pool. Similarly raw materials like salt, limestone and coal also should be included in this pool.

Q: 25. The freight pool should be worked out by the industry, the Railways and the sponsoring Ministries of the Government of India.

Q: 26. Yes: as more emphasis is laid on the development of various industries in Second Five Year Plan period, the reduction and modification of the present freight structure will be necessary to further the economic progress of the country.

Q: 28. The Automobile Industry brought the increased freight rate charged by the Railways to the notice of the Tariff Commission, who considered the issue in all its bearings and came to the conclusion that after a general enhancement of freights on 1-10-48, there was no justification whatsoever for a further indirect enhancement, ten months after, of the minimum weight chargeable to 80 maunds for motor vehicles which weighed much less than half the weight then fixed.

No action has been taken by the Railway Authorities to give effect to the recommendations of the Tariff Commission indicated above.

Q: 29. For instance, the automobile industry has necessarily to be located at Ports. In order that price of Automobiles may be uniform throughout the length and breadth of the country it is suggested that telescopic freight rate may be introduced in the case of automobile industry. The telescopic rate has not been introduced by the Railways for automobile industry so far.

Q: 30. Freight rates on finished products particularly, to the consuming centres near the port towns should be reduced so as to enable the indigenous products to compete with the imported products which generally offer stiff competition to the interests of the indigenous products.

Q: 31. The railway freight rate policy should be based besides consideration of the economics of transportation and the needs of railway finance, on the industrial development and the larger employment to be created by the development of the industries.

Q: 32. The present freight structure which provides for special freight rates for transportation of certain raw-materials like (1) Alumina from Muri to Alwaye and (2) Lead concentrates from Udaipur to Katrasgarh, Bihar has gone a long way in developing both Aluminium and Lead industries which are primarily of strategic importance in the country. The utilisation of concessional Railway freight rates on the principal raw-materials which have to be moved over long distances essentially needed by key industries like Aluminium and Lead is considered necessary and should continue.

Similarly, as India is one of the important sources of high grade chrome ore, if special freight rates are allowed to Indian factories processing the ore to bichromates chances for building up an export market for bichromates will be brighter. A distinction should however exist as regard freight rates for exporters of the chrome ore, as separate from Indian factories themselves processing the ore into chemicals (bichromates). M/s. Pioneer Chrome Works Ltd., Bombay, Golden Chemicals Ltd., Bombay, Kanpur Chemicals Ltd., Kanpur and Buckingham Carnatic Mills Ltd., Madras are the chief manufacturers of bichromates.

Q: 33. Chemical industry may be considered to be in its infancy in this country and there is large scope for its development as the large volume of imports of chemicals even to meet the present requirements will show. It is therefore suggested that benefits of the proposed distinction, if accepted, be given to all chemical industries.

Q: 38. In the case of Automobile Industry, although there is no statutory price control by the Government it has been the policy of the Government to keep down the prices of Automobiles as far as possible in the interest of the speedy development of the Industry. The attempt of the Government is being nullified to some extent due to the present freight rate charged by Railways.

Q: 41. Yes, in the case of chemicals for export, stable rates appear to be preferable.

Q: 42. The change in the pattern of traffic *viz.* in the quantum which has taken place in regard to the principal raw-materials and finished products of the Aluminium Industry in the post-war period is indicated below:—

Name of principal Raw-materials or Finished products.	Maximum quantity to be moved in tonnage.		From	To
	Before July 1954 Tons	After July 1954 Tons		
1. Bauxite	12,500	25,000	Lohardaga (SER)	Muri Jn. (SER)
2. Alumina	5,000	10,000	Muri Jn.	Alwaye (S R.)
3. Aluminium ingots	2,600	5,000	Alwaye (S.R.)	Belur (E. R.)
4. Aluminium sheets	3,000	6,000	Belur (E R.)	Various destinations.

The quantum of traffic as regards raw materials and finished products in the chemical industry has also increased in the post-war period.

Q: 43. A rational method of locating chemical industries will be in close proximity to raw materials and the consuming centres. It is doubtful whether freight rates have been a deciding factor in location.

Q : 45. Other considerations besides incidence of railway freight on the direct requirements of an agriculturist should also be taken into account. The role of chemical manures for increased agricultural production needs no over-emphasis. Due to his conservatism, the Indian agriculturist has been slow to take to chemical fertilisers. In the national interests it is considered necessary to ensure that chemical manures are made available to him at as low a cost as possible. This is all the more necessary in the context of the present downward trend in prices of agricultural produce.

Statement showing Targets tentatively proposed for various Industries in the private sector under the Second Five Year Plan.

Name of Industry	Capacity Target
(1)	(2)
I. Iron & Steel :	
(i) Finished steel	2,761,000 tons
(ii) Semis	420,000 tons.
2. Refractories	*1,000,000 tons.
3. Steel fabrication ... ... (Structural and Wagons)	600,000 tons.
4. Iron & Steel Foundries	30,000 tons castings.
(Cast Iron Foundries & Forges)	12,000 tons forges. (addl. capacity in first stage)
5. Ferro-Manganese	160,000 tons.
6. Heavy Electrical Goods :	
(a) Transformers	887,000 K.V.A.
(b) Switchgear and control gear	669,500 Nos.
(c) Electric Motors	600,000 H.P.
7. Automobile & Ancillary Industries :	
(a) Automobiles	
Cars	12,000 Nos.
Trucks	40,000 ,,
Jeeps and Station Wagons	5,000 ,,
(b) Motor cycles and Scooters	11,000 ,,
8. Bicycles	1,250,000
9. Diesel Engines	205,000 H.P.
10. Light Engineering Industries :	
(a) Dry Battery	229 million cells
(b) Storage Battery	
(i) For Motor Vehicles	420,000 Nos.
(ii) For Train Lighting	7,700 ,,
(c) Electrical Lamps :	
(i) G. L. S. and others	50 million Nos.
(ii) Flourscent tubes	2 ,, ,,
(iii) Miniature bulbs	3 ,, ,,
(d) Hurricane lanterns	6 ,, ,,
(e) House Service Meters	450,000 Nos.
(f) Sewing Machines	300,000 ,,
(g) Power Driven Pumps	73,000 ,,
(h) Ball Bearing	1,800,000 ,,
(i) Grinding Wheels	1,720 tons.
(j) Radio Receivers	300,000 Nos.
(k) Cables & Wires :	

*Includes capacity of some units which are proposed to be set up by National Industrial Development Corporation.

Name of Industry	Capacity
(i) Bare Copper Conductors	10,000 tons.
(ii) A.C.S.R. and all aluminium conductors	15,000 tons.
(iii) VIR & Plastic Insulated Cables	250 million yds.
(iv) Enamelled copper wire	1,300 tons.
(v) Paper and cotton covered wire	1,800 tons
(iv) Paper Insulated lead covered cables	600 miles
(l) Electric fans	600,000 Nos.
11. Aluminium	30,000 tons.
12. Cement	12 million tons
13. Fertilisers:	
(a) Phosphatic	120,000 tons. (P_2O_5).
(b) Potasic	3,000 tons.
14. Paper & Paper Board	600,000 tons.
15. Newsprint	120,000 tons.
16. Rayon & Staple Fibre:	
(a) Art Silk Yarn	55 million lbs.
(b) Weaving	275 million yds.
(c) Staple Fibre	25 million lbs.
(d) Pulp	30,000 tons.
17.(A) Cotton Textiles Cloth:	
(a) Mill	5320 million yds.
(b) Decentralised Sector	2880 million yds.
(B) Woollen Textiles:	
Wool-tops	9 million lbs. additional.
18. Jute Textiles (Mainly Modernisation)	1.2 million tons.
19. Dyestuffs and Related Chemicals:	
(a) Intermediates	64 million lbs.
(b) Coke oven bye-products	
(i) Coal tar	514,000 tons.
(ii) Benzene	17 million gallons.
20. Caustic Soda, Soda Ash etc.:	
(a) Soda Ash	133,000 tons.
(b) Caustic Soda, Chlorine	69,000 tons.
and bleaching Powder	18,000 tons.
21. Other Chemicals:	
(a) Sulphuric Acid	600,000 tons.
(b) Carbon Black	8,000 tons.
(c) Sodium Hydrosulphate	5,000 tons.
(d) Potassium Chlorate	4,200 tons.
(e) Calcium Carbide	25,000 tons.
22. Cotton, Jute, Cement, Sugar and Paper Machinery:	
(a) Cotton Textiles Machinery	Rs. 17 crores worth.
(b) Jute	,, 2.5 ,,
(c Cement Machinery	,, 2 ,,
(d) Sugar Mill Machinery	,, 2.5 ,,
(e) Paper Mill Machinery	,, 4 ,,
23. Heavy Machinery and Machine tools:	—
24. Power alcohol, essential oils, metals and soap:	
(a) Power and Industrial alcohol ... —	36 million gallons.
(b) Turpentine and Rosin	27,000 tons.
(c) Lead	6,000 ,,
(d) Antimony	800 ,,
(e) Soap	220,000 ,,

Q: 55. If the cost of production of chemicals like soda ash, caustic soda, calcium carbide, soap etc. could be sufficiently brought down, stable export could be built up creating further employment in the country. Freight reduction on the transport of raw materials for these products and on the transport of these finished products from the factories to the ports would be advantageous.

The following chemicals also have potentialities for export. Decrease in freight rates for these will aid chances for exports:

(1) Aluminium Sulphate and Alums.

(2) Bichromates and chromic acid.

(3) Magnesium chlroride.

(4) Calcium chloride.

(5) Ammonium chloride.

(6) Ferrous Sulphate.

(7) Magnesium sulphate.

The only sources of natural sodium sulphate in the country is Didwana in Rajasthan. It is consumed in appreciable quantities for the manufacture of Sodium Sulphide by factories in Kanpur and Bombay.

Due to the high freight for movement of the raw materials over long distances, the cost of production is high. If the freight rate for this item could he reduced, possibilities of building an export market for sodium sulphide will be enchanced.

ANNEXURE V

Information conforming to questions in Annexure V of Part I-B, so far as it is available, in respect of the following industries is attached:

(a) Paper

(b) Aluminium Industry

(c) Rubber

(d) Glassware

(e) Leather

(f) Acids and other chemicals

(g) Power alcohol Industry

(h) Rayon

PAPER INDUSTRY

Q: 1. Quantities of principal raw-materials required for manufacture of 1 ton of paper given below:

(a)	Bamboo	2·5 Tons.
(b)	Grass	0·5 ,,
(c)	Rags	0·8 Tons
(d)	Waste paper	0.10 ,,
(e)	Other fibre materials	0.24 ,,
(f)	*Chemicals*:	
(i)	Caustic Soda	0·13 ,,
(ii)	Salt Cake	0·8 ,,
(iii)	Sulphur	0·01 ,,
(iv)	Lime Stone	1·0 ,,
(v)	Salt	0·075 ,,
(vi)	Chlorine	0·04 ,,
(vii)	Alum	0·06 ,,
(viii)	China Clay	0·10 ,,
(ix)	Rosin	0·02 ,,
(g)	*Fuel*:	
	Coal	4·00 ,,

Q: 2. Production of paper and paper boards during the years in question are given below:

(a)	1938—39	59,197 Tons
(b)	1947—48	93,277 ,,
(c)	1952—53	1,36,837 ,,
(d)	1953—54	1,37,300 ,,
(e)	1954—55	1,69,090 ,,

(b) The current price of some of the more important varieties of paper is indicated below:—

(a)	Writing paper	Rs. 1,635/- per ton.
(b)	Wrapping paper	Rs. 1,540/- ,,
(c)	Duplex Boards	Rs. 1,635/- ,,
(d)	Blottings	Rs. 2,240/- ,,

All prices quoted are f. o. r. destination.

The questionnaire may be issued to the following two Associations connected with the Paper Industry in case it has not already been done so far, so as to enable them to put forth their specific difficulties while furnishing replies to the different questions.

(1) Indian Paper Manufacturers' Association, Post Box 280, Royal Exchange, Calcutta.

(2) Indian Paper Mills Assosiation, 23-B, Netaji Subhas Road, Calcutta.

ALUMINIUM INDUSTRY

Q: 1. The following quantities of raw materials are required for producing 1 ton of aluminium.

1.	Bauxite	...	... 5 tons.
2.	Alumina	...	... 2 tons.
3.	Coal	...	... 4 tons.

Q: 2. Production figures of aluminium ingots and sheets, circles and strips.

	1947 Tons	1948 Tons	1952 Tons	1953 Tons	1954 Tons	1955 (up to Tons Aug.)
Aluminium ingots.	3,215	3,362	3565·95	3753·75	4885·95	4682·15
Aluminium sheets, circles & strips.		3,846	4950·97	5263·08	7616·57	6759·65

The production of aluminium ingots commenced from March 1943.

RUBBER INDUSTRY

Q: 1. It is difficult to furnish the information asked for in this question as the number of products manufactured and the various raw materials required for the same are quite large. The raw materials needed vary from product to product. Nearly 70% of rubber consumed by this industry is utilised for the manufacture of rubber tyres and tubes and the quantity of various raw materials utilised in the production of various tyres and tubes is given below :—

	per year
Natural rubber	15,000—16,000 tons
Reclaimed rubber	1,200 tons
Carbon black	6,500 ,,
Sulphur	650 ,,
Zinc oxide	1,200 ,,
Pine Tar	500 ,,
China clay	1,000 ,,
Whiting	300 ,,
Rayon	1,550 tons per year
Cotton cord	3,300 ,,
Bead wire	2,000 ,,
Automobile valves	700,000 Nos.
Cycle valves	7,400,000 Nos.

Nearly 5,000 to 6,000 tons of rubber are utilised for the manufacture of various types of consumer goods like rubber tubing, hoses, toys, baloons, gloves, etc. Most of these articles are sold in the vicinity of the small factories manufacturing them. Therefore in the case of these goods their transport by rail is very limited. (It may be noted that there are nearly a 100 small rubber factories dotted all over India manufacturing various types of consumer goods.)

Q: 2. The quantity of finished rubber goods (tyres and tubes) during the years 1952, 1953, 1954 and 1955 (January/June) was as follows :—

Item	Production. 1952 Nos.	1953 Nos.	1954 Nos.	1955 (Jan.—June)
1. Giant Tyres ...	516,829	551,354	600,636	305,495
2. Giant Tubes ...	419,645	426,664	476,462	248,792
3. Passenger Tyres ...	204,861	216,545	224,900	140,753
4. Passenger Tubes ...	242,014	231,815	277,918	150,030
5. Bicycle Tyres ...	4,189,560	4,645,025	5,337,530	3,913,481
6. Bicycle Tubes ...	4,166,581	4,600,698	5,488,168	2,925,720
7. Tractor Tyres ...	3,848	9,615	17,640	11,116
8. Tractor Tubes ...	5,488	8,131	15,580	11,784
9. Aero Tyres ...	689	1,292	3,452	2,365
10. Aero Tubes ...	979	525	1,500	1,008
11. Rubber Footwear ...	22,799,678 prs.	23,993,567 prs.	29,854,400 prs.	16,594,572 prs.

It is suggested that the questionnaire may if necessary be sent for further particulars to the two Rubber Associations whose addresses are given below :—

1. The Secretary, Association of Rubber Manufacturers in India, 57-B, Free School Street, Calcutta.

2. The Honorary Secretary, India Rubber Industries Association, 7, Homji Street, Fort, Bombay.

GLASS INDUSTRY

Q: 1. The principal raw materials used in glass composition are Sand, Soda Ash, Lime Stone; percentage being 70-75% of sand, 15-17% of Soda Ash and 8 to 10% of lime-stone. The other raw materials, namely Felspar, Arsenic, Borax Nitre are secondary. The requirements of above raw materials for maintaining the present production are :—

Sand	...	1,00,000 tons.
Soda Ash	...	30,000 tons.
Borax	...	2,000 tons.
Limestone	...	16,000 tons.
Arsenic	...	150 tons.
Soda Nitrate	...	200 tons.

Sand: Is the basic raw material which constitutes 75% of the total weight of the batch and is to be transported from Sankargarh and Bargarh on the East Indian Railway to various factories all over India.

Soda Ash: Is an imported raw material and has to be made available to various factories from the ports.

Refractories and Fuels: Are two major items used for the production of glassware. The requirements of refractories for maintaining the present production are to the tune of 10,000 tons and that for coal or furnace oil are about 175,000 tons.

There are in all about 131 factories engaged in the manufacture of glassware in the country. The units are scattered all over India, but essentially consolidated in Calcutta, Uttar Pradesh and Bombay.

We have received a representation from the sheet glass firm at Kandara, a station on the B.N. Railway and now on the Eastern Railway, who are sending their goods to several stations all over India. They have stated that they are seriously handicapped in the distribution of their goods to distant stations, such as Bombay, Madras, Bangalore, Poona and Cochin Harbour, which are the distribution centres of these areas.

Sheet Glass is a protected industry and deserves special consideration of the Railway authorities in order to facilitate the marketing of goods to distant stations and special station-to-station rates, which the long distance traffic can bear on the marketing of indegenous sheet glass at economic prices.

should be introduced by the Railways to assist the indigenous industry to exist and thrive and thus seek its proper place in serving the larger interests of the country.

In view of fragility, bulkiness of the finished goods and their use by the common man, the revised freight charges for glassware and the raw materials such as coal and other fuels required for making glass, are detrimental to the growth and development of the industry. In order to help the industry and to give impetus to the private sector, it is requested that necessary reduction in the existing freight charges may be made on the following lines :—

(a) Special station-to-station rates should be introduced for glassware as well as for the raw materials and fuels required therefor.

(b) The fixation of special rates should be guided by the consideration of location and development of the industry.

(c) The terminal and short-distance charges, which constitute a significant purpose, all the total freight rates above short-distances be modified.

It is hoped, the matter will be considered in view of the bulk requirement of raw materials and the relative higher percentages of the cost of raw materials to the total cost of production of glass, and the lower capacity to bear the cost of transport.

Q: 2. The total production of glassware and sheet glass since 1946 has been as follows :—

Year	Total production (in tons)
1946	89,593
1947	80,000
1948	69.561
1949	68,760
1950	87,270
1951	98,743
1952	92,350
1953	86,756
1954	1,04,484

Q: 7. The cost of production of sheet glass F.O.B. Kandra is as follows :—

Cost of Production of Glass Sheet–F.O.B. Kandra

Cost of Glass Sheets of F.O.R. Kandra is Rs. 28 per case of 100 sq. ft. (approx. weight 2 maunds.) But if the company sell at Rs. 28 to the destinations noted below, than there will be no demand of their products, because if the freight is added to this cost, the price will become higher than the imported stuff. Hence, in order to meet the foreign competition they are selling their product at the following destinations at Rs. 25 per case of 100 sq. ft. which is below their cost of production.

(b) Expenses on account of freight to distant stations.

Destination Station	Rly. Freight per maund	Rly. Freight per case (2 mds.)
	Rs.	Rs.
Bombay	3—8—4	7—0—8
Madras	3—8—2	7—0—4
Bangalore	4—0—9	8—1—6
Poona	3—9—10	7—3—8
Cochin Harbour	4—11—7	9—7—2

(c) Selling price at distant stations, showing how it differred with the over-all cost as per (a) & (b).

Destination Station	Cost per c/s	Rly. Freight per c/s	Incidental Charges	Total selling price per c/s
	Rs.	Rs.	Rs.	Rs.
Bombay	25—0—0	7—0—8	1—0—0	33—0—8
Madras	25—0—0	7—0—4	1—0—0	33—0—4
Cochin Harbour	25—0—0	9—7—2	1—0—0	35—7—2
Bangalore	25—0—0	8—1—6	1—0—0	34—1—6
Poona	25—0—0	7—3—8	1—0—0	33—3—8

(d) Selling price of imported stuff at the distant stations under reference.

Destination Station	Cost per c/s	Rly. Freight per c/s	Incidental Charges per case	Total selling price per case
	Rs.	Rs.	Rs.	Rs.
Bombay	30—0—0	Nil	Nil	30—0—0
Madras	30—0—0	,,	,,	30—0—0
Cochin Harbour	30—0—0	,,	,,	30—0—0
Bangalore	30—0—0	1-11-10 (Ex. Madras)	1—0—0	32-11-10
Poona	30—0—0	1—0—2 (Ex. Bombay)	1—0—0	32—0—2

LEATHER INDUSTRY

Q: 1. It is difficult to furnish the information asked for in this question as the number of products manufactured and the ingredients required for the same are quite large and the raw materials needed vary from product to product.

Q: 2. The production of finished goods during 1952-53, 1953-54 and 1954-55 was as follows:

	1952—53	1953—54	1954—55
1. Vegetable Tanning of hides.	1,354,521 No. of hides.	1,340,686 No. of hides.	1,393,369 No. of hides.
2. Chrome Tanning of hides.	628,564 No. of hides.	723,828 No. of hides.	638,462 No. of hides.
3. Western type of leather footwear.	3,233,513 prs.	3,466,188 prs.	3,127,067 prs.
4. Indigenous type of Leather Footwear.	1,809,576 prs.	2,197,225 prs.	2,122,533 prs.

The following Associations may please be contacted for other particulars, if necessary:—

(1) The Tanner Federation of India, Kanpur.

(2) Shoe Manufacturers Association, Ghee-Ki-Mandi, Agra.

(3) Shoe Manufacturers Co-operative Society Limited, Dayalbagh, Agra.

(4) The South India Skins & Hides Merchants' Association, 16, Sydenhams Road, Madras.

(5) The South India Tanners and Dealers Association, Ranipet.

(6) The Tanners' and Hides Merchants Association, Vizianagram (South India).

ACID AND OTHER CHEMICALS

Q: 1 The following quantities of raw materials are required for the manufacture of one ton of each of the Chemicals noted below:—

Name of Product.	Tons of raw materials required for a ton of product.	
Soda Ash	Limestone	— 1.8 tons
	Salt	— 2 ,,
	Coal	— 1 ,,
	Coke	— 0.15 ,,
Caustic Soda	Salt (by electrolytic process)	— 2 ,,
	Soda	— 1.6 tons (By lime)
	Limestone	— 1.7 tons (Soda process).
Bleaching Powder	Limestone	— 1.6 tons
Calcium Carbide	Limestone	— 2.2 tons
	Coke and Charcoal	— 1 ,,

Q: 2.

Name of item.	Actual production in tons.					
	1938—39	1947	1952	1953	1954	1955 (estimated)
Soda ash	—	13,624	44,322	56,870	48,293	75,000
Caustic soda	—	4,192	17,058	22,909	29,308	34,000
Liquid Chlorine	—	1,706	6,239	8,131	9,782	11,000
Bleaching Powder	—	2,550	792	1,942	2,926	3,000
Calcium Carbide	—	—	71	16	398	3,000

Q: 4. 10 miles to 2,000 miles.

Q: 5. Yes. Almost the entire quantity of principal raw materials: namely, salt, coal and coke are received by rail. In case of M/s. Tata Chemicals, Mithapur (Western Railway) salt is not transported and in the case of a few caustic soda factories salt is transported by sea *cum* rail route.

Q: 6. Almost the entire quantity of finished products, namely, caustic soda, soda ash, bleaching powder, calcium carbide etc. are despatched by rail. Only M/s. Tata chemicals send some quantity of their products by sea route to principal ports wherefrom again the commodities are railed to the consuming centres.

Q: 9. (a) At present liquid caustic soda (in form of 50 percent lye) is transported in bulk in tank wagons. Bulk consumers obtain supplies of liquid caustic soda in tank wagons as the cheapest mode of transport.

Liquid chlorine packed in steel cylinders and Hydrochloric acid packed in stoneware jars and rubber drums are transported by ordinary covered wagons. If these commodities could be transported in suitable tank wagons, the empties would not have to be transported to and fro from the mills thus relieving pressure on the railway movement and give the same benefit of absence of freight charges to be borne for the haulage of empties.

(b) Caustic soda liquid received in bulk in tank wagons is distributed to the ultimate consuming points as such and not in containers.

POWER ALCOHOL INDUSTRY

Q: 1. The information available in respect of Power Alcohol Industry is given below:—

The following quantities of raw materials are required for the production of one gallon of alcohol.

1. Molasses	...	22 seers.
2. Coal	...	10 lbs.
3. Ammonium Sulphate	...	Approximately 1 lb for 10 mds. of molasses processed.
4. Sulphuric Acid	...	do.
5. Benzene	...	Two gallons per 1000 gallons of absolute alcohol. (Varies considerably with summer and winter conditions).

Q: 2. The production of Power Alcohol and Rectified Spirit during the past few years are given below:—

Year	Production (in million bulk gallons) Power Alcohol (Dehydrate alcohol)	Rectified Spirit
1947	2.7	1.7
1948	3.7	2.3
1949	4.2	1.9
1950	4.4	3.4
1951	5.8	5.0
1952	7.7	4.6
1953	8.1	4.3
1954	8.0	4.6

Q: 7. The price of Power Alcohol is Re./14/- a gallon. It is mostly transported in tank wagons.

RAYON INDUSTRY

Q: 1 (i) Raw materials required to produce one pound of Rayon are as follows:—

(a) Viscose Rayon and Staple Fibre ... 2.9 pounds.
(b) Acetate Rayon ... 2.7 ,,

(ii) Coal required to produce one pound of product:—

(a) Viscose Rayon and Staple Fibre ... 6.5 pounds.
(b) Acetate Rayon ... 20.0 ,,

Q: 2. The production (Annual, in tons) of Rayon during the following years was as follows:—

		1938—39	1947—48	1952	1953	1954
Viscose Rayon	...	Nil	Nil	3588	4356	4944
Staple Fibre	...	Nil	Nil	Nil	Nil	3084
Acetate Rayon	...	Nil	Nil	Nil	Nil	423

For other particulars the following units may please be contacted, if necessary:—

1. M/s. Travancore Rayons Ltd., Rayonpuram P.O. Travancore-Cochin State.
2. M/s. National Rayon Corporation Ltd., Ewart House, Bruce Street, Fort, Bombay-1.
3. M/s. Sirsilk Ltd., Sirpur Kaghaznagar (Hyderabad State).

CEMENT.

The distribution and price of cement are controlled by Government. The present system of cement distribution is briefly indicated below.

Every quarter, the Ministry of Commerce and Industry, decide area-wise and purpose-wise, the allocation of the production of each cement factory, on the basis of its estimated production, the demands received from the various consumers etc. Under this system, the production of each factory is allocated, as far as possible, only within its economic marketing area which is roughly within an (average) radius of about 200-250 miles. For the purpose of economic and equitable distribution, India has been divided into six regions (as indicated in the attached statement).

Cement prices are fixed on an f. o. r. destination basis, by including a fixed element in the selling price, on account of average railway freight. The average freight element included in the present f. o. r. destination prices fixed for the various cement factories, is Rs. 15/- per ton.

A statement showing the present and future capacity for cement and the target capacity proposed with reference to the Second Five Year Plan is attached.

CEMENT INDUSTRY:

	Delhi area.	Kanpur area.	Calcutta area	Bombay Area.	Madras & Coimbatore area.	Tatal
	(1. Punjab 2. Pepsu 3. Delhi 4. Jammu & Kashmir 5. Himachal Pradesh)	(U. P.)	(1. West Bengal 2. Bihar 3. Orissa 4. Assam 5. Triupura 6. Manipur 7. N.E.F. Agency)	(1. Bombay 2. Saurash-tra 3. Cutch & Ajmer 4. Rajasthan 5. Hyderabad 6. Madhya Bharat 7. Bhopal 8. Madhya Pradesh 9. Vindhya Pradesh)	(1. Andhra 2. Madras 3. Mysore 4. Travan-core Co-chin 5. Coorg 6. Anda-mans)	
					(All figures are in thousands of tons)	
1. Existing annual capacity...	370	200	1,187	2,107	961·5	4,825·5
2. Estimated annual capacity at the end of the First Five Year Plan (March. 1956) ...	470	...	1,467	2,607	961.5	5,705·5
3. Estimated annual capacity at the end of the Second Five Year Plan (March, 1961) on the basis of the schemes so far licensed approved ...	635	400	3,114	5,596	1,835·3	11,580·3
4. Target of installed capacity aimed at with reference to the Second Five Year Plan ...	...	...	...	...	...	12,000
5. Target of production with reference to the Second Five Year Plan ...	...		...	...	...	10,000

STATEMENT REGARDING ANTICIPATED DEVELOPMENT IN THE STEEL INDUSTRY.

Serial No.	Name of the undertaking	Location	Capacity at the end of 1950	Expected position at the end of 1960
			Tons	Tons
1	TATAS	Jamshedpur	931,000 (including 750,000 tons existing capacity)	1·5 million tons of finished steel
2	IISCO	Burnpur Kulti	700,000	800,000
3	Mysore Works	Bhadravati	100,000	100,000
4	Hindustan Steel	Rourkela		720,000
5	Russian Plant	Madhya Pradesh (assumed)		750,000
6	British Plant	Durgapur (assumed)		790,000 plus 350,000 tons Pig iron.

Statement showing the rail transport facilities required for new factories and expansions of existing units in some important industries, licensed under the Industries (Development & Regulation) Act and expected to materialise in the near future.

Serial No.	Name of the undertaking	Location	New undertaking (N.U.) or Substantial expansion of existing units (S. E.)	Annual capacity	Annual transport requirements	
					Raw materials	Finished products
			ALUMINIUM			
1.	Aluminium Industries Ltd., Kundara.	Kundara (Travancore-Cochin.)	New	3600 to 4800 tons of aluminium rods.	4000 to 5000 tons of pure Aluminium Ingots per year.	
2.	Aluminium Co. Ltd., Calcutta.	Hirakud (Orissa State)		10,000 tons of Aluminium Ingots.	2,362 wagons	2,362 wagons
3.	Indian Aluminium Co. Ltd., Calcutta.	Calcutta	S. E.	11,000 tons	240 wagons	240 wagons
4.	do.	Calcutta.	S. E.	Aluminium extracts 996 tons per annum	Nil	Nil
5.	Aluminium Corporation of India Ltd., Calcutta.	Jaykaynagar (calcuttta).	S. E.	Aluminium Ingots 2,400 tons.	—	300 tons
			CEMENT			
1.	M/s. Associated Cement Cos. Ltd., Bombay	Chaibasa	S. E.	100,000 tons.		
2.	do.	Sindri	S. E.	200,000 ,,		
3.	do.	Surajpur (Punjab)	S. E.	100,000 ,,		
4.	do.	Porbunder	S. E.	60,000 ,,		
5.	do.	Shahabad	S. E.	100,000 ,,		
6.	do.	Mancherial	S. E.	100,000 ,,		
7.	do.	Kistna	S. E.	100,000 ,,		
8.	M/s. Ashoka Cement Ltd., Dalmianagar.	Dalmianagar	S. E.	280,000 ,,		

Serial No.	Name of the undertaking	Location	New undertaking (N. U.) or Substantial expansion of exsting units (S. E.)	Annual capacity	Annual transport requirements	
					Raw materials	Finished products
9.	Orissa Cement Ltd.,	Rajgangpur	S. E.	200,000 tons		
10.	Dalmia Dadri.	Dadri	S. E.	165,000 ,,		
11.	Jaipur Udyog Ltd.	Sawaimadhopur	S. E.	400,000 ,,		
12.	Kalyanpur Lime & Cement Works Ltd.	Banjari	S. E.	102,000 ,,		
13.	Hindustan Investment Corporation Ltd.,	Bilaspur/Raipur	S. E.	330,000 ,,		
14.	Birla Bros. Ltd.	Satna	S. E.	330,000 ,,		
15.	Digvijay Cement Co. Ltd.,	Seeka	S. E.	200,000 ,,		
16.	Baroda Cement Co. Ltd.	Bratapnagar	S. E.	100,000 ,,		
17.	Bagalkot Cement Co.	Bagalkot	S. E.	100,000 ,,		
18.	Ramakrishna Sons Ltd.	Macherla	S. E.	100,000 ,,		
19.	do.	Thirurottiyur	S. E.	16,500 ,,		
20.	India Cements Ltd.	Talaiyuthu	S. E.	100,000 ,,		
21.	Mysore Iron & Steel Works.	Bhadravathi	S. E.	18,000 ,,		
22.	M/s. Andhra Cement Co. Ltd., 337, Thambu Chetty Street, Madras.	Vijayawada (Andhra)	S. E.	66,600 ,,	13,000 wagons for raw material and finished goods.	
23.	Panyam Cement & Mineral Industries Ltd., c/o Shri M. Somappa, President, Yemmiganur Weaver's Co-operative Society Ltd., Yemmiganur.	Panyam Reserve Forest (Andhra)	N. U.	62,700 ,,	960 MG wagons.	4,000 MG wagons
24.	Shri Krishna Kumar Singhji & Company Ltd., C/o Shri Patel Thakurshi Dosabhai, Bhavnagar.	Bhavnagar (Saurashtra)	N. U.	165,000 ,,	No special transport required.	

25.	Jaipur Udyog Ltd., Sawai Madhopur.	Sawai Madhopur (Rajasthan)	S. E.	198,000 ,,	60 BG wagons per day or 19,800 wagons per year.	30 BG wagons per day or 9,900 wagons per annum
26.	Associated Cement Company Ltd., Queens Road, Bombay.	Abu Road (Bombay)	N. U.	165,000 ,,	4,258 BG wagons.	8,250 B G wagons
27.	Associated Cement Company Ltd., Queens Road, Bombay.	Mymore (M.P.)	S. E.	238,000 tons	15,048 BG wagons	11,916 BG Wagons.
28.	do.	Shahabad (Hyderabad)	S. E.	100,000 ,,	Requirements not available.	
29.	do.	Porbandar (Saurashtra)	S. E.	198,000 ,,	15,984 BG Wagons	6,444 BG Wagons.
30.	Shri Sampat Kumar G. Somani, Kapur Mahal, Marine Drive, Bombay.	Satna (V. P.)	N. U.	220,000 ,,	3,500 tons.	10,000 Wagons.
31.	Associated Cement Co., Ltd. Bombay.	Madukkarai	S. E.	25,000 ,,	2,844 BG Wagons	12,480 BG Wagons
32.	do.	Siju in Garo Hills, Assam	N. U.	165,000 ,,	4,258 BG Wagons	8,250 BG Wagons
33.	do.	Rourkila (Orissa)	N. U.	250,000 ,,	9,538 BG Wagons	12,500 BG Wagons
		EXPLOSIVES				
	M/s. Indian Explosives Ltd., 18, Strand Road, Calcutta.	Gurnia (Hazaribagh)	N. U.	5 000 short tons	7,280 tons for (6 & 7)	
		FERRO-MANGANESE				
1.	M/s. Mysore Iron & Steel Works, Bhadravati.	Bhadravati (Mysore)	N. U.	1,800 tons	3,000 tons.	1,600 tons
2.	Jeypore Mining Syndicate Ltd., Madras.	Rayagada	N. U.	10,000 ,, 12,000 ,,	840 wagons both for items 6 & 7.	
3.	M/s. Ram Bahadur Thakur & Co., Samastipur.	Gomharia (Singhbhum)	N. U.	20,000 ,,	4,500 B.G. Wagons for both items 6 & 7.	
4.	M/s. Cambartta Industries Ltd., Bombay.	Tumsar (M. P.)	N. U.	30,000 ,,	1,82,500 tons for both items 6 & 7.	

Serial No.	Name of the undertaking	Location	New undertaking or Substantial expansion of existing units	Annual capacity	Annual transport reqirements	
					Raw materials	Finished products
5.	Electro-metallurgical Works Ltd., Bombay.	Dandeli (N. Kanara)	N. U.	12,000 ,,	4,000 tons.	12,000 tons
6	M/s Tata Iron & Steel Company Ltd., Bombay House, Bruce St., Bombay.	Joda (Orissa)	S. E.	30,000 ,,	43,500 ,,	30,000 tons
7.	Ferro-Alloys Corporation, Ltd., C/o Shree Rai Bahadur Seth Shree Ram Durga Prasad, Tumbar (M. P.)	Garividi (Andhra)	N. U.	30,000 ,,	27,000 ,,	30,000 tons
		FERTILISERS.				
1.	M/s. Sonawala Industries Ltd., Bombay.	Bombay	S. E.	18,000-24,000 tons.	20,000 tons.	20,000 tons
2.	M/s. Parry & Co., Ltd., Madras-1.	Cuddalore O. T. (Madras)	S. E.	10,000 tons (Mixed fertilisers)	Not indicated. siding already exists.	
3.	M/s. Hydrabad Chemicals & Fertilisers Ltd., Secunderabad-Dn.	Secunderabad (Hyderabad-Dn.)	N. U.	64,800 to 81,000 tons (complete fertilisers)	53,000 tons	35,000
4.	M/s. Parry & Co., Ltd., P.B. 12. Madras-1.	Madras	N. U.	2 lakh tons (mixed fertilisers)	1,550 wagons	2,00,000 tons
5.	M/s. Kotah Bone Products Ltd., Kotah (Rajasthan).	Kotah (Rajasthan)	N. U.	Bone glue 180 tons Sinews glue 300 ,, Grease 120 ,, Horn & Hoofs meal 120 ,, Bone meal 900 ,, Bone flour 600 ,, Crushed bones 6,000 ,,	5,000 tons	5,000 tons
6.	M/s. Faridabad Bone Mills, Faridabad.	Faridabad (Punjab)	N. U.	Crushed Bones 3,600 ,, Bone Grist 4,800 ,, Bone meal 960 ,, Bone Sinews 480 ,, Horns & Hoofs 400 ,,	not readily available	
7.	M/s. Knit Bone & Glue Works. Rajpura.	Rajpura (Pepsu)	N. U.	Bone meal 480 tons Crushed bones 1,680 ,, Horn & Hoofs meal 120 ,, Glue from sinews 120 ,,	9 wagons	7 wagons

8.	Shri Partap State & General Works, Ateli (Pepsu).	Ateli (Pepsu)		N. U.	Crushed and pulverised bones 3,000 tons		
9.	M/s. Bhavnagar Chemical Works (1946) Ltd., Vartej, Saurashtra.	Vartej (saurashtra)		S. E.	6,600 tons (Manure mixtures)	300 wagons M G.	
10.	M/s. Fertiliser & Chemical Travancore Ltd., Alwaye (Travancore-Cochin).	Alwaye (T. C.)		S. E.	8,040 tons (Ammonium chloride)	Nil	6,000 tons
			JUTE				
	Assam Jute Mills Ltd., Gauhati.	Shita Sundari Ghopa Dist. Kamrup, Assam		N. U.	300 looms (with a capacity of produce 5400 tons of jute manufacture a year.	3,356 tons during 1,957 ,, 5,184 ,, 6,712 ,, 10,068 ,,	3240 tons during 1957 ,, 4,680 ,, 6,120 ,, 9,360 ,,
			PAPER				
1.	M/s. Mysore Paper Mills Ltd., Bhadravati.	Bhadravati		S. E.	4000 tons of paper per annum	16,608 tons per annum	7,800 tons per per annum
2.	M/s, Sirpur Paper Mills Ltd., Hyderabad.	Kaghaznagar		S. E.	9000 tons of paper per annum	3650 wagons	3650 wagons
3.	M/s. Orient Paper Mills Ltd., Calcutta.	Brajrajnagar		S. E.	1300 tons of plastic/ Resin coated paper & paper board per annum	9000 wagons per annum	1200 wagons per annum
4.	M/s. Star Paper Mills, Calcutta.	Saharannur		S. E.	1250 tons of writing paper & m. g. paper per anaum	9900 per annum	9900 per annum
5.	M/s. Rohtas Industries Ltd., Dalmianagar, Bihar.	Dalmianagar		S. E. (Three Schemes)	Board 360 tons per year m. g. paper 14,400 tons High grade 7200 tons Like Brand 1200 ,, Light 5400 ,, Weight Paper	7500 wagons annum	2700 wagons per annum
6.	M/s. Shri Gopal Paper Mills Ltd, Calcutta.	Jamanaga District Ambala		S. E.	12300 tons of paper board per annum	6000 wagons per annum	1080 wagons per annum

Serial No.	Name of the undertaking	Location	New undertaking or Substantial expansion of existing units	Annual capacity	Annual transport reqirements	
					Raw materials	Finished products
7.	M/s. F. Pudamjee & Co., Poona.	Bombay	N. U.	3300 tons of paper	Nil	not given
8.	M/s. Western India Industries Agencies, Bomay.	Utrah near Surat	N. U.	7500/8000 tons of pulp and 2500/3000 tons of paper board	Most of raw materials will be floated in the country craft	not given
9.	M/s. Bharat Paper Mills, Shillong.	Margherita Assam	N. U.	30 tons of paper per day	do	15000 tons of paper per annum
10.	M/s. West Coast Paper Mills, Bombay.	Bombay State	N. U.	Printing paper 360 tons	447 tons daily	9000 tons per annum
11.	M/s. Papamadas Paper Mills Ltd., Madurai.	Madurai	N. U.	7200 tons of paper	500 tons of paper per month	6,000 tons of paper per annum
12.	M/s. India Paper Pulp Co. Ltd., 8, Clive Row, Calcutta.	Calcutta	Paper including newsprint (paper board and straw board)	Paper and Paper board	700 tons per mensem 4,600 wagons	900 wagons
13.	M/s. Sirpur Paper Mills Ltd., 8, Royal Exchange Place, Calcutta.	Calcutta	do	Paper and Paper hoards and Newsprint	1,800 tons per mensem 13,200 wagons	1650 wagons
14.	M/s. Straw Products Ltd., 7, Council House Street, Calcutta-1.	Straw Products Ltd., Chola Road, Bhopal	do	Filing boards, Manilla and wrappings duplex, triplex and corrugated board	450 tons per mensem	1,320 wagons for both
		RAYON YARN				
1.	The Travancore Rayons Ltd., Rayonpuram.	Rayonpuram (Travancore-Cochin)	S. E.	600/720 tons	300/360 wagons load for both items 6 & 7.	

2.	The National Rayon Corporation Ltd., Bombay.	Mohane Kalayan (Bombay)	S. E.	2142.85 tons (only expansion)	1095 wagons for both items 6 & 7.	
3.	M/s. National Rayon Corporation, Bombay.	do	S. E.	8571.42 to 8705.34 tons (Ultimate capacity including Item No. 2.)	1095 wagons for both items 6 & 7.	
4.	M/s. Sahu Jain Ltd., Calcutta.	Calcutta	N. U.	1825 tons	10,800 tons	1,800 tons
5.	The century Spg. & Manufacturing Company, Ltd., Bombay.	Kalyan Dist. Thana, Bombay.	N. U.	2159.99 tons	23,610 tons	1,800 tons
		SODA ASH				
1.	M/s. Sahu Jain Ltd., Calcutta.	Dalmianagar (Bihar)	N. U.	33,000 tons	330 wagons	240 wagons
2.	M/s. Jiyajeerao Cotton Mills Ltd., Gwalior (M. B.)	Porebunder (Saurashtra)	N. U.	66,000 tons	66,000 tons	33,000 tons
3.	M/s. T V. Sundaram Aiyangar & Sons, Ltd., Madura (S. India).	Tuticorin (Madras)	N. U.	60,000 tons (200 tons a day plant)	50,000 tons	50,000 tons
		SUGAR				
1.	The Dhampur Sugar Mills Ltd., U.P.	Dhampur	S. E.	1,100 tons	134 tons daily for both	
2.	Modi Sugar Mills Ltd., U.P.	Modinagar	S. E.	110 tons	Nil	
3.	K. C. P. Ltd., Andhra.	Vuyyuru (Krishna)	S. E.	700 tons	515 wagons annually	
4.	Upper India Sugar Mills, U. P.	Khatauli	S. E.	450 tons	Nil	
5.	Ganga Sugar Corporation, U. P.	Deoband	S. E.	600 tons	18 tons daily	11 tons daily
6.	Jeypore Sugar Company, Ltd., Orissa.	Rayagada	S. E.	350 tons	1 ton daily	10 tons daily
7.	Upper Ganges Sugar Mills Ltd., U. P.	Seohara (Bijnor)	S. E.	700 tons	Nil	3 tons daily
8.	Sir Shadilal Sugar & General Mills Ltd., U. P.	Mansurpur (Muzaffaranagar)	S. E.	700 tons	150 wagons (1st year annually)	5,000 tons (1st year) annually
9.	H. R. Sugar Factory Ltd., U. P.	Nekpur (Bareilly)	S. E.	98 tons	not readily available	
10.	Shri Changdeo Sugar Mills Ltd., Bombay.	Puntumba (Ahmednagar)	S. E.	250 tons	3 wagons weekly	4 wagons weekly
11.	Oudh Sugar Mills, U. P.	Hargaon (Sitapur)	S. E.	675 tons	676 tons daily	786 tons daily

Serial No.	Name of the undertaking	Location	New undertaking (N.U.) or Substantial expansion of existing units (S. E.)	Annual capacity	Annual transport requirements	
					Raw materials	Finished products
12.	Ajudhia Sugar Mills, U. P.	Raja-ka-Sahaspur	S. E.	250 tons	Nil	
13.	M. P. Sugar Mills Co. Ltd., Bihar.	Majhowlia (Champuram)	S.E.	500 tons	Nil	
14.	Godavari Sugar Mills, Bombay.	Lakshimiwadi (Bombay)	,,	350 tons	Nil	
15.	Simbhaoli Sugar Mills Ltd.,	Simbhaoli (Meerut)	,,	1,100 tons	2·15 tons daily	28 tons daily
16.	India Sugar and Refineries Ltd., Mysore.	Hospet	,,	400 tons	Nil	40 tons daily
17.	Salarjung Sugar Mills, Hyderabad.	Munirabad (Hyderabad)	,,	380 tons	Nil	Nil
18.	The Godavari Sugar Mills Ltd., Bombay.	Sakarwadi (Bombay)	,,	250 tons	Nil	Nil
19.	Kamlapat Motilal Sugar Mills Ltd., U.P.	Motinagar (Fyzabad)	,,	250 tons	10 wagons daily	14 tons daily
20.	Saraswathi Sugar Syndicate Ltd., Punjab.	Yamunanagar (Ambala)	,,	1,250 tons	120·1 tons daily	37·5 tons daily
21.	Ugar Sugar Works Ltd., Bombay.	Ugarkhurd (Belgaum)	,,	400 tons	Not specified	
22.	Delhi Cloth & General Mills (Mawana Sugar Works), U.P.	Mawana (Meerut)	,,	1,178 tons	1,768 tons annually	87 tons daily
23.	Krishna Sugar Mills Ltd., Bombay.	Krishna-Kiltur (Belgaum)	,,	200/250 tons	Nil	Not specified
24.	Kundan Sugar Mills, U.P.	Amroha	,,	1,015 tons	Nil	
25.	Saswad Mali Sugar Factory Ltd., Bombay.	Malinagar (Sholapur)	,,	300 tons	Nil	Nil
26.	Ram-Laxman Sugar Mills, U·P.	Mohiuddinpur (Meerut)	,,	150 tons	Nil	
27.	Ravalgaon Sugar Farm Ltd., Bombay.	Ravalgaon (Nasik)	,,	360 tons	Nil	
28.	Pravara Sahakari Sakhar Karkhana Ltd., Bombay.	Pravaranagar (Ahmedabad)	,,	1000 tons	Nil	
29.	Buland Sugar Co., U.P.	Rampur	,,	500/700 tons	Nil	

30.	Amritsar Sugar Mills Co. Ltd., U.P.	Rohanakalan (Meerut)	,,	142 tons	Nil	200 wagons annualy
31.	Delhi Cloth & General Mills Ltd., (Daurala Sugar Works) U.P.	Daurala (Meerut)	,,	1,100 tons	Not readily available	
32.	Jagatjit Distilling & Allied Industries Ltd., Pepsu.	Phagwara	,,	350 tons	do.	
33.	M/s. Karamchand Thapar Bros. Ltd., Pepsu.	Dhuri	N.U.	1,000 tons	160 tons daily in 1954-55	14 tonsdaily in 1954-55
34.	Kopergaon Sahkari Sakhar Karkhana Ltd., Bombay.	Ropergaon	,,	800 tons	88 tons daily specified	Nil
35.	Malegaon Sahkari Sakhar Karkhana Ltd, Poona.	Malegaon (Poona)	,,	1,000 tons	Not specified	
36.	Samagara Gramseva Sangha Ltd., Mysore.	Pandavapur	,,	600 tons	Nil	45,000 tons yearly
37.	Tungbhadra Sugar Works, Mysore.	Shimoga	N. U.	800 to 1,000 tons	3,000 wagons yearly	2,000 wagons yearly
38.	The Karnatak Sugar and Cellulose Works Ltd., Bombay.	Altiveri	,,	1200 tons	Nil	1600 wagons yearly
39.	Sakhar Udyog, Aurangabad.	Gangapur	,,	850 tons	20 tons daily	8.5 tons daily
40.	The K. C. P. Ltd., Madras.	Kaikalur District Krishna	,,	800 tons	Not given	40 tons of sugar a day
41.	Chitale Sugar Works Ltd., Bombay.	Malsiras (Sholapur)	,,	600 tons	2 wagons yearly	Nil
42.	Challapalli Sugars Ltd., Madras.	Challapalli	,,	450/600 tons a day	Nil	50 tons a day
43.	The Deccan Agricultural Industries Ltd., Bombay.	Malsiras District Sholapur	,,	400 tons	2 wagons a week	4 wagons a day
44.	The Bhogavati Co-op.Sugar Factory Ltd., Bombay.	Shahupuri District Kolhapur	,,	1000 tons	—	5 wagons daily
45.	Shri Khedut Saha Kari Sugar Industrial Mandali Ltd, Bombay.	Bahen, District Surat	,,	800 tons	Not given	96,000 bags of sugar yearly
46.	The Bellary Central Co-operative Stores, Mysore.	Kampti Taluk (Bellary District)	,,	600 tons	Information not available	
47.	Janta Co-op. Sugar Mills, Punjab.	Bhogpur	,,	800 tons	do.	

Serial No.	Name of the undertaking	Location	New undertaking (N.U.) or Substantial expansion of existing units (S. E.)	Annual capacity	Annual transport requirements	
					Raw materials	Finished products
48.	Gangavati Sugars Ltd., Hyderabad.	Raichur	,,	800 tons	Nil	400 wagons
49.	K. C. P. Ltd., Andhra.	Yalatipalem (Guntur)	,,	600 tons	Information not available	
50.	Panipat Sugar Works, Punjab.	Panipat	,,	800 tons	Not given	
51.	Assam Sugar Mills and Distilleries, Assam.	Dimapur	,,	750/1,000 tons	do.	
52.	Rahuri Taluka Co-op. Sugar Factory, Bombay.	Rahuri, Ahmednagar	,,	1200 tons	Nil	
53.	Karegaon Vibagh Sahakari Sakhar Karkhana, Bombay.	Shrirampur Ahmednagar	,,	1000 tons	Nil	Not specified
54.	Krishna Sahakari Sakhar Karkhana, Bombay.	Julewadi North Satara	,,	600/800 tons	6200 tons annually	8,000 tons annually
55.	Warna Co-operative Sugar Producers' Association, Bombay.	Kodoli Kolhapur	,,	1000 tons	Not specified	
56.	Panchaganga Co-op. Sugar Producers' Society Ltd., Bombay.	Schalkaranji, Kolhapur	,,	1000 tons	do.	
57.	Sankeshwar Co-op. Sugar Factory, Bombay.	Hukeri Belgaum	,,	600/800 tons	do.	
58.	Tiruvannamalai Sugar Factory, Madras.	Tiruvannamalai (North Arcot)	,,	400 tons	80,000 tons annually	8,000 tons annually
59.	Thiru Arooran Sugar Mills, Madras.	Tanjore	N. U.	1,000 tons	Nil	Not specified
60.	East India Distilling Sugar Factory, Madras.	Villupuram S. A. District	,,	800 tons	60,000 tons	10,800 tons
61.	Haryana Co-op. Sugar Mills, Punjab.	Rohtak	,,	800 tons	64,000 tons	9,600 sugar & 3,200 tons of Molasses.

62.	Jagatjit Distilling & Allied Industries, Pepsu.	Hamira	N. U.	800 tons	63,000 tons	5,700 tons
63.	New India Sugar Mills Ltd., 8, Royal Exchange Place, Calcutta.	Hassanpur Road (Bihar)	S. E.	300/400 tons of sugarcane per day (after expansion 1,500/1,600 tons of sugarcane per day)	31,250 tons	7,500 tons
64.	The Ravalgaon Sugar Farm Ltd., Construction House, Ballard Estate, Fort, Bombay.	Ravalgaon Post District Nasik	,,	350 tons of sugarcane per day. (after expansion 1,200 tons of sugarcane per day)	Nil	
65.	Maharani Parvati Sugar Mills Ltd., Sarangpur (Madhyabharat).	Sarangpur	13(1)(C)carrying on.	350 tons of sugarcane per day	Nil	
66.	N. A. Co-operative Sugar Mills, Co-operative Central Bank Buildings, Officers Line, Vellore.	Pachakuppam & Vadapudupet, (Vellore Taluk) Madras State.	N.U.	800 tons of sugarcane per day	75,000 tons	
67.	Gobind Sugar Mills Ltd., P. O. Aira Estate, Lakshmipur Kheri (UP)	P. O. Aira Estate (UP)	S. E.	550 tons of sugarcane per day (after expansion 1,200 tons of sugarcane per day)	11 lakhs mds.	
68.	New Swadeshi Sugar Mills Ltd., 8, Royal Exchange Place, Calcutta.	Narkatiaganj District Champaram (Bihar)	,,	300 tons of sugarcane per day. (1,300 tons of sugarcane per day)	25,000 tons of sugarcane	2,500 tons
69.	The Bhavnagar Sugar Mills Ltd, Dhola Junction, Saurashtra.	Dhola (Saurashtra)	Carrying on (13) (1) (c)	400 tons of sugarcane per day	The copy of rail transport stall sent to the Ministry of Railways is not available	
70.	Upper Doab Sugar Mills Ltd, Shamli.	Shamli (District) Muzaffarnagar (UP)	S. E.	1,370 tons of sugarcane per day. (after substantial expansion 3,000 tons of sugarcane per day)	2 lakh tons	40,000 tons
71.	Amritsar Sugar Mills Co. Ltd., Rohana Kalan P. O. Rohana Mills, Muzaffarnagar.	Rohana Kalan		142 tons of sugarcane per day. (after substantial expansion 1,350 tons of sugarcane per day)		

Serial No.	Name of the undertaking	Location	New undertaking or Substantial expansion of existing units	Annual capacity	Annual transport requirements	
					Raw materials	Finished products
72.	Karnatak Sugar Mills, Tehsil Jamkhandi Dist Bijapur.	Jamkhandi	N. U.	800/1000 tons of sugarcane per day		
73.	Ramnagar Cane Sugar Co. Ltd., 7, Wellesly Place, Calcutta.	Nadia	S. E.	400 tons of sugarcane per day (after expansion 1,200 tons of sugarcane per day)		
74.	Rai Bahadur Narain Singh Sugar Mills Ltd., Lhaksar J., (N. Rly) District Saharanpur.	Lhaksar	,,	250 tons of sugarcane per day (after expansion 1,500 tons of sugarcane per day)	1,700 tons (15 wagons)	3,000 tons
75.	Kirlampudi Sugar Mills Ltd., 331/333, Thambu Chetty Street, Madras-1.	Pithapuram (Andhra State)	,,	300 tons of sugarcane per day (900 tons of sugarcane per day)	3,750 tons	3,010 tons
	WOOLLEN MILLS					
1.	The India Woollen Textile Mills.	Chheharta (Amritsar)	S. E.	Not readily available	100 to 140 wagons	72 to 100 wagons
2.	M/s. Dhruva Woollen Mills.	Bombay	,,	do.	Nil	24 wagons
3.	M/s. India Hosiery Factory.	Bombay	,,	do.	Nil	Nil
4.	The Swadeshi Mfg. Syndicate Ltd., Ludhiana.	Ludhiana	,,	do.	84 tons	Nil
5.	The Raymond Woollen Mills.	Bombay	,,	do.	Nil	8 tons
6.	The Punjab Woollen Textile Mills	Chheharta	,,	do.	80 tons	36 tons
7	The Pearl Woollen Mills.	Ludhiana	,,	do.	Nil	Nil
8.	The Ideal Woollen & Silk Mills.	Amritsar	,,	do.	Nil	Nil
9.	The Oswal Woollen Mills.	Ludhiana	,,	do.	Nil	Nil

10.	The Oriental Carpet Manufacturers (India) Ltd.	Amritsar	S. E.	Not readily available	6 wagons	Not indicated
11.	The Bombay Fine Worsted Manufacturers (Castle Mills)	Bombay	,,	,,	Nil	Nil
12	The Model Woollen Mills.		Nil	,,	Nil	Nil
13.	M/s. Gokalchand Rattan Chand Woollen Mills.	Bombay	,,	,,	Nil	6 wagons.
14.	Commonwealth Spinning & Knitting Mills, 195-Haines Road, Calcutta.	Calcutta			25,000 lbs. wool tops	Nil
15.	Oswal Cotton Spinning & Weaving Mills Ludhiana.	Ludhiana (Punjab)		—	Nil	Nil
16.	Bharat Woollen Mills 11-Esplanade East Calcutta.	Belughurriah		—	Nil	

COTTON TEXTILES

1.	Jagatjit Cotton Textiles.	Phagwara	Expansion	9,000 spindles	Nil (Movement by Road Transport)	
2.	Udaya Textiles Ltd.	Trichur	,,	10,000 ,,	40 wagons	40 wagons
3.	Balaram Varma Textiles Ltd.	Travancore	,,	6,000 ,,	Nil	Nil
4.	Kothari Textiles Ltd.	Madras	,,	12,000 ,,	50 wagons	56 wagons
5.	South India Co-operative Spinning Mills	Tirunelveli	,,	16,000 ,,	—	480 wagons
6.	Delhi Cloth & General Mills.	Hisar	,,	25,000 ,,	100 wagons	500 wagons
7.	Nandi Hasli & Co. Oil Mills	Margund (Bombay)	,,	2,000 ,,	—	10 wagons
8.	Khatan Makarji Spinning & Weaving.	Bombay	,,	7,200 ,,	—	—
9.	Karur Mills Ltd.	Karur (Madras)	,,	7,334 ,,	—	—
10.	Sri Sampatial Rampooria	Hooghly	Expansion	1000 spindles	—	—
11.	Kasturi Mills Ltd.,	Coimbatore	do.	6000 ,,	24 wagons	24 wagons
12.	Nimla Textiles & Finishing Mills	Chheharta	do.	Additional machinary	—	—
13.	Sri Venkatesa Mills.	Udamalpet (Coimbatore)	do.	6000 spindles	—	—
14.	Sondaraja Mills.	Dindigul	do.	8000 ,,	—	17 wagons

Serial No.	Name of the undertaking	Location	New undertaking or Substantial expansion of existing units	Annual capacity	Annual transport requirements	
					Raw materials	Finished products
15.	Krishnaveni Textiles.	Coimbatore	do.	19000 spindles	—	—
16.	Phoneix Mills.	Bombay	do.	15000 ,,	—	—
17.	S. Ramaswamy Mudaliar, (Tirupur Cotton Spinning & Weaving Mills.)	Tirupur	do.	10000 ,,	—	32 wagons
18.	East India Corporation.	Madura	do.	10000 ,,	56 wagons	50 wagons
19.	Ravindra Mills.	Singanallur	do.	10000 ,,	30 wagons	26 wagons
20.	Kamala Mills.	Bombay	do.	13056 ,,	—	—
21.	Sri Digvijaya Singhji Mills.	Jamnagar	do.	7200 ,,	120 wagons	60 wagons
22.	Viswam Mills.	Erode	do.	10000 ,,	—	—
23.	Sree Meenakshi Mills.	Madurai	do.	12000 ,,	144 wagons	156 wagons
24.	Dhanalaxhmi Mills.	Tirupur	do.	6000 ,,	16 wagons	14 wagons
25.	Sri Ram Laxmi Weaving & Spinning Mills.	Chinnayampalayam (Coimbatore)	do.	10000 ,,	—	—
26.	Sri Survodaya Mills.	Yeswantpur	do.	10000 ,,	—	—
27.	Jayalaxmi Mills.	Singanallur (Coimbatore)	do.	13000 ,,	—	—
28.	Tuticorin Mills.	Tuticorin	do.	6000 ,,	—	—
29.	Palni Sri Murugan.	Palni (South)	do.	10000 ,,	50 wagons	50 wagons
30.	M/s. Rajeswari Mills.	Gudiyattam (Madras)	do.	6000 ,,	—	—
31.	Sri Denga Cotton Spinning & Weaving Mills.	Calcutta	do.	8000 ,,	—	—
32.	N. Velayudha Swami Naidu	Coimbatore	do.	10000 ,,	—	—
33.	Shree Nivae Cotton Mills.	Bombay	do.	10000 ,,	—	—

34.	Ramnarayan Mills.	Coimbatore	Expansion	10,000 spindles		—
35.	Bharat Cotton Mills	Coimbatore	do.	10,000 ,,		—
36.	Shri A. L. Srinivasan	Coimbatore	do.	10,000 ,,		—
37.	Dhandayudapani Foundry Ltd.	Coimbatore	do.	10,000 ,,		—
38.	Kumaran Mills	Peelamedu Post (South)	do.	10,000 ,,	36 wagons	36 wagons
39.	Maharaja Shri Umaid Mills	Pali (Marwar)	do.	10,000 ,,		—
40.	Pioneer Textiles Ltd.	Coimbatore	do.	10,000 ,,		—
41.	Lakshmi Mills Co. Ltd.	Kovilpatti	do.	8,600 ,,		—
42.	M. M. Tayal	Hissar	do.	20,000 ,,	(Later on withdrawn)	—
43.	Rajapalayam	Rajapalayam (Coimbatore)	do.	6,980 ,,		—
44.	Tirumurthi Textiles	Tiruchirapalli	do.	12,000 ,,		—
45.	Sri Ramulaga Choodambkai	Tirupur	do.	5,000 ,,		—
46.	Ahmd. Jupiter Spg & Mfg.	Ahmedabad	do.	6,000 ,,		—
47.	Sri Gasapati Mills	Tirunelveli	do.	6,000 ,,		—
48.	Peelamedu Textiles	Coimbatore	do.	10,000 ,,		—
49.	Ahmedabad New Textile Mills	Ahmedabad	do.	10,000 ,,		—
50.	Shri Rajaratna Mills	Palani	do.	10,000 ,,		—
51.	Arali Cotton Mills, Howrah	Howrah	do.	12,000 ,, 15 looms		—
52.	Modi Spg. & Wvg. Mills	Modinagar	do.	28,150 spindles	228 wagons	228 wagons
53.	The Malabar Spg. &Wvg. Mills Ltd.	Kallai-Malabar Kozhikode-3 (Calicut)	do.	100 power looms		—
54.	Shri Rajindra Mills	Salem	do.	8,000 spindles		—
55.	Arvind Mills Ltd.	Ahmedabad	do.	Printing plant		—
56.	M/s. Indian Cotton Oil Mills	Kavasari (Surat)	do.	10,000 spindles		—
57.	Savatram Ram Parsad Mills Co. Ltd.	Akola (M.P.)	do.	6,000 ,		—

Serial No.	Name of the undertaking	Location	New undertaking (N.U.) or Substantial expansion of existing units (S.E.)	Annual capacity	Annual transport requirements	
					Raw materials	Finished products
58.	Jawahar Cotton Mills Ltd.	Suramanagalam (District) (Salem)	Expansion	12000 Spindles	Nil	
59.	Universal Textile Mills	Bombay	do.	Change of location	Nil	
60.	Kohinoor Mills	Bombay	do.	Additional machinery	Nil	
61.	Shri P.S.G. Rangaswamy Naidu Sons.	Coimbatore	do.	10,000 spindles	Nil	
62.	The New City of Bombay Mfg. Co. Ltd.	Bombay	do.	5 spindle tape looms of 20 spindles each	Nil	
63	Bharat Vijaya Mills	Kalol (Bombay)	—	120 looms	Nil	
64.	Vijaya Mills	Kovil Palayam via Pollachi	do.	10,000 spindles	Nil	
65.	Pollachi Bagyalakshmi Mills Ltd.	Pollachi	do.	1,600 spindles	Nil	
66.	Tirumurthy Mills Ltd.	Udamalpet	do.	6784 spindles	Nil	
67.	M/s: Shri Rama Krishna Mills	Coimbatore	do.	4000 spindles	(wagons to carry 2,00,000 lbs. of staple fibre and 100 candies of foreign cotton).	
68.	The Gnanambigai Mills Ltd.	do.	do.	2592 spindles	Nil	
69.	Tadpatri Textiles Ltd.	Tadpatri	do.	12000 spindles	Nil	
70.	The Finlay Mills Ltd.	Bombay	do.	Establishment of new printing plant	Nil	
71.	Lotus Mills	Podanur	do.	6000 spindles	Nil	
72.	The Narasimha Mills	Coimbatore	do.	0000 ,,	Nil	
73.	Vijaya Laxmi Mills	do.	do.	8240 ,,	Nil	
74.	Lord Krishna Textile Mills	Saharanpur	do.	15000 ,, and 350 looms	Nil	

75.	New India Embroidary Mills Ltd.	Chheharta	Expansion	A new subsidiary factory at Sonipat	Will not be much
76.	Kathayee Cotton Mills Ltd.	Alwaye		6548 spindles Restarted	Wagons to carry 725 tons load.
77.	Pulgaon Cotton Mills	Pulgaon	do	145 looms	Nil
78.	Shree Yallamha Cotton Woollen and Silk Mills Co. Ltd.	Davangere City	do	12000 spindles	180 wagons and 240 wagons
79.	M/s. Ajudhia Textile Mills Ltd.	Delhi	do	20000 ,,	50% of the goods carried by railways.
80.	J. K. Cotton Manufacturing Ltd.	Kanpur	do	200 looms	Nil
81.	Valliappa Mills Ltd.	Poolankurichi	do	10,000 spindles	120 unit wagon for R. M. & 132 unit wagons for F. P.
82.	Jaipore Sugar Co. Ltd.	Rayagada (Orissa)	do	1,000 ,,	60 wagons
83.	Sri Karthikeya Spinning & Weaving Mills Ltd.	Cpimbatore	do	6,160 ,,	Nil
84.	M/s. Kothandaram Spinning Mills Ltd.	Madurai	do	6,000 ,,	Nil
85.	Cauvery Spinning Weaving Mills Ltd.	Cauvery Nagar	do	18,000 ,,	Nil
86.	Siddheswari Cotton Mills Ltd.	Anantapur (Howrah)	do	4,000 ,,	Nil
87.	M/s. Moon Mills Ltd.	Bombay	Replacement of destroyed spindles	35,000 ,,	Nil
88.	The Lal Bhai Tricumlal Mills Ltd.	Ahmedahad	Expansion	10,000 ,,	Nil
89.	Sivanandha Mills Ltd,	Sravanampatti (Coimbatore.)	do	2,242 ,, 12,544 ,,	Nil
90.	Mahadeo Cotton Mills	Bhilwara (Rajasthan)	Resumption of operation	...	...
91.	The Vijay Kumar Mills Ltd.	Palni	Expansion	3,456 spindles	...
92.	Shri Krishna Rajendra Mills.	Mysore	do	5,544 ,,	Wagons to move 6,000 bales of bales of cotton, 4,800 bales of yarn per year.

Serial No.	Name of the undertaking	Location	New undertaking (N.U.) or Substantial expansion of existing units (S. E.)	Annual capacity	Annual transport requirements	
					Raw materials	Finished products
93.	M/s. Kanoria Industries Ltd.,	Calcutta	Expansion	10,000	Nil	
94.	The Bengal Fine Spinning & Weaving Mills.	Calcutta	do	11,320 ,,	Nil	
95.	The Annapoorna Cotton Mills Ltd.	Calcutta	do	15,860 ,,	180 wagons for coal, 48 wagons for cotton.	
96.	The Thiakasar Alai.	Manapparai	do	6,500 ,,	108 wagons	108 wagons
97.	The Mahendra Mills Ltd.	Ahmedabad	do	15,000 ,,	Nil	
98.	M/s. Maharani Shri Mhalsabai Cotton Mills Co. Ltd.	Bombay	do	88 looms	Nil	
99.	Howrah Cotton Mills Ltd.	Howrah	do	6,000 spindles 100 looms	Nil	
100.	Tirupur Textiles Ltd.	Tirupur	do	4,800 spindles	Nil	
101.	The Nutan Mills Ltd.	Ahmedabad	...	66 looms	Nil	
102.	M/s. Ramaswamy & Co.	Pappa Naickenpalayam (Coimbatore)	do	6,000 spindles	Nil	
103.	M/s. Saroja Mills Ltd.	Singanallur (Coimbatore)	do.	4,200 spindles	Nil	
104.	M/s. Morarji Gocaldass Spinning & Weaving Co., Ltd.	Bombay	...	To instal a new printing plant.	Nil	
105.	M/s. Krishna Rajindra Mills.	Mysore	do.	12,000 spindles	Wagons to carry 12,000 bales of cotton and 9,600 bales of yarns.	
106.	M/s. Bhagyalaxmi Cotton Mills.	Calcutta	do.	4,000 ,,	Nil	

107.	M/s. Kothari & Sons.	Madras	Expansion	24,000 Spindles	Wagons to carry 50% of the finished products.	
108.	Shree Madhusudan Mills.	Bombay	do.	To instal a new cloth printing plant.	Nil	
109.	Chandra Textiles Mills.	Peelamedu (Coimbatore)	do.	10,000 spindles	Nil	
110.	Nellai Cotton Mills.	Tirunelveli	do.	12,000 ,,	144 wagons	156 wagons
111.	The Coimbatore Pioneer Mills Ltd.	Peelamedu	do.	10,000 ,,	Nil	
112.	Theni Mills Ltd.	Theni (Mathurai Dist)	do.	10,000 ,,	Nil	
113.	The Bankura Mills Ltd.	Bankura (W. Bengal)	do.	3,800 ,,	Nil	
114.	Vijai Textiles Mills Ltd.	Jaipur	do.	10,000 ,,	600 wagons	
115.	Sri Balasubramania Mills Ltd.	Singanallur	do.	7,304 ,,	182 wagons on metre-gauge	182 wagons
116.	Swadeshi Cotton Mills Co., Ltd.	Cawnpur	do.	23,200 ,,	96 wagons & 144 wagons	
117.	Aurangabad Mills Ltd.	Aurangabad	do.	27,500 ,,	Nil	
118.	Fine Knitting Co.	Ahmedabad	do.	4,000 ,,	Nil	
119.	The Vasanta Mills Ltd.	Singanallur (Coimbatore)	do.	5,000 ,,	Nil	
120.	Maharaja Shree Umaid Mills Ltd.	Pali (Marwar)	do.	8 blanket looms	Nil	
121.	Tuticorin Spinning Mills Ltd.	Tuticorin	do.	16,000 spindles	Nil	
122.	Southern Textiles Ltd.,	Coimbatore	do.	12,000 Spindles	Nil	
123.	C. N. Venktapathy Naidu	do.	do.	12,000 ,,	24 wagons	
124.	M/s. The Laxmi Mills Co Ltd.,	do.	do.	8,640 ,,	wagons to carry 350 tons per year	
125.	Shree Mahadeo Cotton Mills Ltd.	Bhilwara	do.	10,000 ,,	Nil	
126.	Shri Ghanshyam, Kajriwal.	Kajriwal	do.	5,000 ,,	Nil	
127.	Mohini Mills Ltd.	Calcutta	do.	6,000 ,,	Nil	

Serial No.	Name of the undertaking	Location	New undertaking (N.U.) or Substantial expansion of existing units (S. E.)	Annual capacity	Annual transport requirements	
					Raw materials	Finished products
128.	M/s. Ramakrishna Industries Ltd.	Peelamedu	Expansion	10,000 Spindles	Nil	
129.	Vijay Textiles Ltd., Jaipur, (Rajasthan)	Jaipur (Rajasthan)	S. E.	Cotton yarn (10,000 spindles)	560 Tons Cotton 7,000 tons coal	12,50,000 lbs yarn & cloth
130.	Shri D. Sakantha Ramaswamy (Annamalai Mills Ltd., Dindigul, Madurai District (Madras)	Dindigul (Madras)	do.	Cotton yarn and staple fibres yarn (10,000 spindles)		
131.	Shri K. Govindarajulu, (Shri Hari Mills Ltd.) Puliyampati, Coimbatore Dist. (Madras)	Palladam, Coimbatore Dist., Madras.	do.	Cotton yarn (12,000 spindles)	725 tons	650 tons
132.	J. K. K. Angappan & Brothers (Sundaram Spinning Mills Komarapalayam P. O. (Madras)	Komarpalayam (Madras)	S. E.	Cotton yarn (12,000 spindles)	Nil	Nil
133.	Shri Ghanshyam, Keiriwal, C/o. Shri J. D. Dalmia, Scindia House, New Delhi.	Rajganpur (Orissa)	do.	Cotton yarn (10,000 spindles)	500 tons	
134.	Shri G. Krishnan (Gopalakrishna Mills Ltd.) Coimbatore (Madras)	Coimbatore (Madras)	do.	Cotton yarn (10,000 spindles)	300 tons	600 tons
135.	Shri Bhawani Utkal Cotton Mills Ltd., Hissar. (Punjab).	Hissar (Punjab)	do.	Cotton yarn (24,000 spindles)	Nil	Nil
136.	Kothari Textiles Ltd., Madras.	Coimbatore (Madras)	do.	Cotton yarn (24,000 spindles)	Nil	Nil
137.	Shri N. Mahalingham Pollachi, Coimbatore.	Pollachi Coimbatore (Madras)	do.	Cotton yarn (12,000 spindles)	—	1,75,000 lbs.
138.	A. V. Ramana Gounder and Sons, Somanur Post, (Coimbatore Dist.)	Somanur Coimbatore (Madras)	do.	Cotton yarn (12,000 spindles	350 tons	546 tons
139.	Sahu Jain Ltd., 11, Clive Row, Calcutta.	Konnagar Distt. Hoogly, (W. Bengal)	S. E.	Rayon yarn 5 tons per day.		
40.	Shri. N. Krishnaraj, 20/258, Rangai Gowder Street, Coimbatore.	Coimbatore (Madras).	S. E.	Cotton yarn 12,000 spindles.	600 tons	450 tons

141.	The Bengal Luxmi Cotton Mills Ltd., No. 2, Taherpur, West Bengal.	Taherpur, West Bengal.	S. E.	Cotton yarn 23,500 spindles.	1,500 tons	1,200 tons
142.	K. Venkataswami & Sons, Coimbatore, Madras.	Coimbatore, Madras.	S. E.	Cotton yarn 12,000 spindles.	Nil	Nil
143.	Jaipuria Brothers Ltd., Swadeshi House, Kanpur (U. P.)	Bhatinda (Pepsu).	S. E.	Cotton yarn 24,000 spindles.	3,575 tons	3,000 tons
144.	Shri K. Uthama Ramasamy Naidu Avanashi Road, Coimbatore.	Coimbatore (Madras State)	S. E.	Cotton yarn 12,000 spindles.	501 tons	439 tons
145.	Western India Spg. & Manufacturing Co, Ltd., Fort, Bombay.	Jarsuguda, Orissa.	S. E.	Cotton yarn cloth 25,000 spindles 500 looms.	21,000 Bales of cotton.	12,000 Bales cloth & 3,600 Bales yarn.
146.	Mela Ram & Sons, Ludhiana (Punjab).	Ludhiana (Punjab)	S. E.	Cotton & staple fibre yarn 10,000 spindles.		
147.	Al. Rm. Ramanathan. A-12, Kumarasami Raja Nagar, Rajapalayam.	Sholapuram (Madras State)	S. E.	Cotton yarn 10,000 spindles.	Nil	Nil
148.	Shri G. E. Chinnadorai. No. 422, Mettupalayam Road, Coimbatore.	Coimbatore (Madras).	S. E.	Cotton & Staple fibre yarn 12,000 spindles.	859 tons	780 tons
149.	The Adarsh Cotton Spg. & Weaving Mills, Calcutta.	Suryanagar, Asansal, West Bengal	S. E.	Cotton yarn 25,000 spindles.	Nil	Nil
150.	Shri A. L. CT. Chidambaram Chettiar, No. 9, Haddones Road, Nungambakkam, Madras.	Villupuram (Madras State)	S. E.	Cotton yarn 20,000 spindles.		
151.	Shri G. D. Kothari, 8, Royal Exchange Place, Calcutta.	Khanna (Punjab)	S. E.	Cotton yarn 12,000 spindles.	...	650 tons
152.	Ramsarup Chandiprasad, Amravati, (Madhya Pradesh),	Amravati (M. P).	S. E.	Cotton yarn 10,000 spindles.	...	348 tons
153.	Bengal Fine Spinning & Weaving Mills Ltd., No. 2, Gayeshpur, West Bengal.	Gayeshpur (West Bengal)	S. E.	Cotton yarn 25,000 spindles	4,800 tons	1,800 tons
154.	Tangail Textiles Ltd., Calcutta (West Bengal).	Calcutta (West Bengal)	,,	Cotton cloth (101 looms)	Nil	Nil
155.	Loyal Textile Mills Ltd., Kovilpatti (Madras).	Kovilpatti (Madras)	,,	Cotton yarn (12,000 spindles	1,072 tons	804 tons
156.	Palani Andavar Mills Ltd., Udamalpet (Madras).	Udamalpet (Madras)	,,	Cotton yarn (16,000 spindles	600 tons	500 tons

Serial No.	Name of the undertaking	Location	New undertaking (N. U.) or Substantial expansion of existing units (S. E.)	Annual capacity	Annual transport requirements	
					Raw materials	Finished products
157.	Sree Visalakshi Mills, Ltd., Madurai (Madras).	Madurai (Madras)	S.E.	Cotton yarn (10,000 spindles)	Nil	Nil
158.	Mahalakshmi Textiles Mills Ltd., Pasumalai P. O., Madurai (Madras).	Madurai (Madras)	,,	Cotton yarn (12,500 spindles)	500 tons	900 tons
159.	The Davangere Cotton Mills Ltd., Davangere (Mysore),	Davangere (Mysore)	,,	Cotton yarn (15,000 spindles)		Nil
160.	The Model Mills Nagpur Ltd,. Nagpur City (M. P.)	Nagpur City (M. P.)	,,	Cotton waste yarn and cloth (360 spindles and 40 looms)	Nil	Nil
161.	Shree Ram Mills Ltd., Bombay.	Bombay	,,	Cotton yarn (25,860 spindles)	375 wagons	340 wagons
162.	The Punjab Cloth Mills Ltd., Bhiwani (Punjab).	Bhiwani (Punjab)	,,	Cotton yarn (1,000 spindles)	Nil	Nil
163.	Shree Meenakshi Mills Ltd., (Branch Mill at Samayanallur) Madurai (Madras).	Samayanallur (Madras)	,,	Cotton yarn (12,000 spindles)	1,356 tons	1,176 tons
164.	Radha Krishna Mills Ltd., Peelamedu Coimbatore, (Madras).	Peelamedu (Madras)	,,	Cotton yarn (10,000 spindles)	Nil	Nil
165.	Shree Rajendra Mills, Ltd., Ghandhinagar, Salem, Madras.	Salem (Madras)	,,	Cotton and staple fibre yarn (12,960 spindles)	Nil	Nil
166.	The Vijayakumar Mills Ltd., Kalayamputhur P. O. (Via) Palni, Madurai District (Madras).	Madurai (Madras)	,,	Cotton yarn (10,000 spindles)	300 tons	600 tons
167.	Shri Chitra Mills, Alwaye, (Travancore-Cochin).	Alwaye (Travancore-Cochin)	,,	Cotton yarn (12,400 spindles)		Nil
168.	The Bihari Mills Ltd. P. O. No. 4, Amedabad, Bombay.	Ahmedabad, Bombay	,,	Cotton yarn (7,000 spindles)	Nil	Nil

169.	Sri Kannapiram Mills Ltd., P.B. No. 133, Coimbatore, Madras.	Coimbatore (Madras)	S. E.	Cotton yarn (9,500 spindles)	Nil	Nil
170.	The Calcutta Woollen and Silk Mills Ltd., 191, Harrison Road, Calcutta-7.	Calcutta-7 (W. Bengal)	S. E.	Cotton & Staple fibre fabrics(32 looms) (New articles)	Nil	Nil
171.	Shri Varadaraja Textiles Ltd., Peelamedu Post, Coimbatore.	Peelamedu (Coimbatore)	S. E.	Cotton yarn 6,000 spindles	Nil	Nil
172.	Shri Ramalinga Mills Ltd, Tirupur, Madras.	Tirupur (Madras)	S. E.	Cotton yarn 10,000 spindles	Nil	Nil
173.	Pearl Hosiery Mills, Ludhiana (Punjab).	Ludhiana (Punjab)	S. E.	Cotton webbing cloth 8 power looms	Nil	Nil
174.	The Coimbatore Cotton Mills Ltd., Singanallur Post, Coimbatore District.	Coimbatore Dist. (Madras)	S. E.	Cotton yarn 12,800 spindles	Nil	Nil
175.	Sri Natesar Spinning and Weaving Mills, Ltd, Erode, Madras.	Madras	S. E.	Cotton yarn 7,500 spindles	Nil	Nil
176.	Sri Karthikeya Spinning and Weaving Mills Ltd., Singanallur (Madras).	Singanallur (Madras)	S. E.	Cotton yarn 10,000 spindles	600 tons	450 tons
177.	The Lakshmi Mills Co. Ltd., (Branch) Kovilpatty Madras.	Madras	S. E.	Cotton yarn 16,000 spindles	1,740 tons	900 tons
178.	Sri Ramakrishna Mills, (Coimbatore) Ltd., Ganapathy P. O., Coimbatore (Madras).	Coimbatore (Madras)	S. E.	Cotton yarn 10,080 spindles	330 tons	300 tons
179.	Sri Balasubramania Mills Ltd. Singanallur (Madras).	Singanallur (Madras)	S. E.	Cotton yarn 6,000 spindles	Nil	Nil
180.	Kasthuri Mills Ltd., Singanallur Post, Coimbatore Distt. (Madras).	Singanallur (Madras)	S. E.	Cotton yarn 6,000 spindles	282 tons	226 tons
181.	Luxmi Narayan Cotton Mills Ltd., Calcutta (W. Bengal).	Calcutta (West Bengal)	S. E.	Cotton yarn 18,000 spindles	...	...
182.	Swadeshi Cotton Mills Co., Ltd., Swadeshi House, Kanpur (U. P.).	Kanpur (U. P.	S. E.	Cotton yarn 50,000 spindles	7,800 tons	3,600 tons

Serial No.	Name of the undertaking	Location	New undertaking (N.U.) or Substantial expansion of existing units (S.E.)	Annual capacity	Annual transport requirements	
					Raw materials	Finished products
			BATTERIES, CELLS & STORAGE			
1.	Addison & Co. Ltd., 158, Mount Road, Madras-2.	158, Mount Road, Madras.	New Article	*Installed capacity.* Compression Sprayers 2400 Nos. per annum. Wheelbarrow Type Sprayers 600 ,, ,, ,, Rocker Sprayers 2400 ,, ,, ,, Rotary Dust guns. 2400 ,, ,, ,, Power Driven Pumps 72 ,, ,, ,,		Nil.
2.	M/s. Bimlora Iron and Steel Rolling Mills, Ludhiana, (E.P.)	Samrala (E.P.)	Shifting	Agricultural Implements etc. 900 tons ,, ,,		Nil.
3.	American Spring and Pressing Works.	Malad Santacruz	Shifting	R/28/3 17-9-52		Nil.
			BICYCLES			
				Name of the component. — *Additional capacity per annum*		
1.	Rampur Engineering Co. Ltd., Rampur.	Rampur	S. Expansion	1. Frames (complete) with seat stay and chain stay. 25,000 Nos. 2. Mudguards. ,, Pairs 3. Seat Pillars. ,, Nos. 4. Lamp Brackets ,, ,, 5. Pedals. ,, ,,		Nil.
2.	Hindustan Bicycle Manufacturing and Industrial Corporation Ltd., Sabaya Nagar, Patna, (Bihar.	Sabaya Nagar Patna (Bihar)	do.	Bicycles—60,000 per annum. (sixty thousand)		Nil.
3.	Hamilton Industries. Tulsipipe Line Road, Bombay.	Tulsipipe Line Road Off Haines Road Bombay	N.U.	1. Frames 3,000 per annum 2. Handles 1,800 ,, 3. Fork Pipes 28,800 ,, 4. Pedals 18,000 ,, 5. Chain wheels and cranks 2,400 sets per annum. 6. Brake clips 300 gross pairs per annum.		Nil.

4. M/s. Metal Goods Manufacturing Co. Benares Cantt.	Benares Cantt.	S. E.	1. Frames (Complete with seal stay & Chain-stay 1,5000 Nos. 417 tons 2. Forks. ,, ,, 3. Handle Bars ,, ,, 4. Mudguards ,, Pairs. 5. Seat Pillar ,, Nos. 6. Lamp Bracket ,, ,, 7. Brake fittings ,, ,, 8. Spokes 30,000 Gross.	555 tons.
5. M/s. Gopal Metal Works, Lucknow.	Lucknow	S. E.	3 (a) It is noted that you already have capacity for the manufacture of certain bicycle components as indicated below :—	Nil.

Name of the component.	*Capacity per annum.*
Forks	60,000
Pedals (Pairs)	60,000
Handle-bars	60,000
Frames	60,000
Brake sets	60,000
Mudguards (Pairs)	60,000
Saddles	60,000

3 (b) You are permitted under this licence to establish fresh capacity for the manufacture of the under-mentioned bicyle components to the extent specified against each. *Out of the components indicated under 3(a) and 3 (b) you are permitted to assemble only 20,000 complete cycles per annum*!

Name of the component.	*Capacity per annum.*
Chain-wheel.	60,000 Nos.
Hubs	Pairs.
Crank	,,

Serial No.	Name of the undertaking	Location	New undertaking (N.U.) or Substantial expansion of existing units (S.E.)	Annual capacity	Annual transport requirements	
					Raw materials	Finished products
6.	M/s. Popular Cycle Manufacturing Co. Ltd., Agra.	Agra	S. E.	3 (a) It is noted that you already have capacity for the manufacture of certain bicycle components as indicated below:— *Name of the component* — *Capacity per annum* 1. Cycle frames — 30,000 Nos. 2. Forks — ,, ,, 3. Handle Bars — ,, ,, 4. Mudguards — ,, Pairs. 5. Seal-stay — ,, Nos. 6. Chain-stay — ,, ,, 7. Spokes & Nipples — Gross. (3) (b) You are permitted under this licence to establish fresh capacity for the manufacture of under mentioned bicycles components to the extent specified against each ***Out of the components indicated under (3) (a) and (3) (b), you are permitted to assemble only 15,000 complete cycles per annum.***	Not available.	

				Name of the component	*Additional capacity per year.*	
				1. Brake sets	60,000 Nos.	
				2. Seat Pillar	,, ,,	
				3. Pedals	,, Pairs.	
				4. Hubs	,, ,,	
				5. Chain wheel	,, Nos.	
				6. Crank	,, Pairs.	
				7. Saddles	,, Nos.	
				8. Freewheel	3,60,000 ,,	
			HURRICANE LANTERNS			
	M/s Universal Lamps Mfg. Co. Ltd., Calcutta.	Calcutta	S. E.	96,000 Harricane Lanterns per annum (Ninety six thousand)	Nil	
			INTERNAL COMBUSTION ENGINES			
1.	M/s. Modern Engineering & Moulding Co. Ahmedabad.	Ahmedabad	New Article	300 (three hundred) Internal combustion Engines per annum	Nil	
2.	Patel Manji Kanji & Brothers, Jail Gate Road, Rajkot.	Rajkot	C. O.	1. Diesel Engines—144 per annum 2. Tipping wagons—600 per annum (six hundred)	Nil	
3.	The Oriental Engineering Works Ltd., Industrial Area, Jagadhri (E. P.)	Jagadhri	Shifting	144. diesel engines of assorted size 10-40 H. P. per annum. OR 216. engines of one particular size	Nil	
4.	Aeronautical Service Ltd., 31, Chittaranjan Avenue, Calcutta.	Sultanpur (Dum-Dum) (W. Bengal)	N. U.	7,2000 Internal combustion Engines per annum	665 Tons	217 Tons

Serial No.	Name of the undertaking	Location	New undertaking (N.U.) or Substantial expansion of existing units (S.E.)	Annual capacity	Annual transport requirements	
					Raw materials	Finished products
			POWER DRIVEN PUMPS			
1.	M/s. Delta Engineering Co. Ltd., Meerut.	Meerut	Carrying on	1. Bore hole Pumps 300 per annum 2. Centrifugal Pumps 1,200 per annum 3. Power Chaff cutters 300 per annum	100 Tons	150 Tons
2.	Ruston Hornsby (India) Ltd., 1, Forbs Street, Bombay.	Akurdi Village Chinwan (Poona)	S.E.	1. Deep well Turbin Pumps 200 per annum 2. Centrifugal Pumps 800 per annum	239 wagons	150 tons
3.	Hindustan Industrial Corporation, K 40, Connaught Circus, New Delhi.	Sabibabad (Gaziabad)	Carrying on	1. Different types of Pumps 1,660 per annum 2. Cable Box 12,000 per annum 3. Cutouts 18,000 per annum	Nil	Nil
			CLASS AND CERAMICS			
1.	M/s. Bharat Glass Works, Delhi.	Shakurbasti, Delhi.	Carrying on	Glass jars, tumblers, Globes etc. 6,000 doz. per annum		Nil
2.	M/s. Belur Glass Works Ltd., Calcutta.	Sapaipara, Belur. (Howrah)	S.E.	Crystal, Semi-crystal Double coloured, fancy glass etc. 1,200 tons per annum.	1,334 tons	3,127 tons
3.	M/s. Vishwa Traders Ltd., Bombay.	Bombay	New Undertaking	Pencillin and vaccine vials, ampules, bottles etc. 960 tons per annum		Nil
4.	Shri Ghanshyam Kajriwal, ew Delhi.	Calcutta	N.U.	1. Store wares } 3,600 tons per whib wares } annum		Nil

				2. Crockery and Light Tension Industries etc.	2,520 tons per annum		
5.	M/s. Cherian & Co. Ltd., Chingavanam,	Kottayam, T. Cochin.	N.U.	Lime Bricks per annum	120,00,000	1957–18,000 tons 1958–36,000 tons 1959–36,000 tons 1960–36,000 tons	
6.	M/s. Burn & Co. Ltd., Calcutta.	Salem, Madras.	N.U.	Magnesite Refractories	12,000 tons per annum		240 wagons per annum
7.	do.	Raniganj	S.E.	Silica Refractories	7,200 tons per annum		600 wagons per annum
8.	M/s. Magurbanj Glass works, Mayurbhanj, Tata Nagar.	Maghurbhanj, Babalda Road, Tata Nagar.	Carry on	Vaccine Phials, Blood Bottles, Milk Bottles etc.	1,200 tons per annum		Nil
9.	Alembic Glass Industries Ltd., Baroda.	Baroda	S.E.	Glass vials, etc.	2,16,000 gross per annum.	72 wagons per annum	48 wagons per annum
10.	Orissa Cement Ltd., New Delhi.	Rajgangpur, (Orissa.)	[illegible]	Refractories	11,400 tons per annum	24,000 tons per annum	6,000 tons
11.	Associated Cement Cos. Ltd., Bombay.	Bombay	S. E.	Refractories etc.	4,440 tons per annum	11,600 tons per annum	10,285 tons per annum
12.	Annpurana Glass works Ltd., Calcutta.	Haltu Union Board, (24-Parganas)	N. U.	Different types of glasses	5,040 tons per annum	180 wagons per annum	
13.	M/s. S. N. Sunderson & Company, New Delhi.	Katni (M. P).	N. U.	Fire bricks and fire clay	12,000 tons per annum	1,000 tons	600 wagons
14.	M/s. Dalmia Cement (Bharat) Ltd., Salem Madras.	Salem (Madras)	N. U.	Dead Burnt Magnesite	36,000 tons per annum	No statement of requirement available.	

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Ernakulam.

GENERAL.

Sizeable quantities of coir products are moved by rail from the producing centres on the West Coast to various destinations in India. Coir manufactured goods, though a bulk cargo, are of comparatively small value. The freights charged for a ton of coir yarn and rope moved from Cochin to Bombay and Calcutta, by rail and by steamer, are given below:

Destinations.	Raiway freight.			Steamer freight. per ton.		
	Rs.	a.	p.	Rs.	a.	p.
Bombay	82	10	7	39	8	0
Calcutta	102	10	5	40	8	0

It is obvious that the Rly. freights are much higher than the steamer freights. The coir industry is essentially a cottage industry. It is not in a position to stand the present railway freight. One of the functions of the Coir Board is to create a demand for coir and coir products in the Indian markets and thereby expand the internal markets. The present railway freights would not be much favourable to us in achieving our goal. It is therefore suggested that the freight on coir and coir good be reduced.

The freight charged for coir yarn and rope booked from Cochin Harbour Terminus to Calcutta is Rs. 3 12 - 4. per md. But for consignments of 160 mds. and over a concessional rate of Rs. 2 6 - 11 per md. is allowed. Considerable quantities of coir yarn and rope are booked to other stations, such as Bombay, New Delhi. etc. It is suggesetd that the benefit of this concession be extended to bookings to other stations also.

All India Handloom Board,

Bombay.

PART I—A

Q: 4. For raw material and finished products of handloom industry, the railways may charge half the prescribed rates or special reduced rates for distances upto 300-400 miles.

Q: 5. Freight rates for cotton yarn and handloom cloth may be reduced to 50% of the prevailing rates and terminal charge, short distance charge and transhipment charge abolished.

Q: 6. Distance unit may be fixed as 20 miles.

Q: 7. There does not appear to be a case for altering the existing minimum distance for charge of 20 miles for goods traffic.

Q: 9. Yarn and handloom cloth require a separate classification for being dealt with liberally in regard to freight rates.

Q: 11. 'Smalls' of yarn and handloom cloth should be charged at wagon load rates.

Q: 12. Charges must necessarily vary with the class of commodities carried.

Q: 13. The minimum charge should be Re. 0-8-0 and uniform for all commodities.

Q: 14. Minimum weight of smalls, may be raised to 25 seers. Smalls, traffic in the same class may be loaded in one wagon load for a particular destination.

Q: 15 and 16. Minimum weight of 'smalls may be raised to 25 seers. 'Smalls' traffic in the same class may be loaded in one wagon load for a particular destination.

Q: 18. A small extra percentage charge may be levied for movement by express goods.

Q: 21. For short distances there are alternative modes of transport *viz.*, roads and waterways, and quite often transport by these is cheaper than transport by rail. There is need for adjustment so that railways may not stand in competition with other transport firms and could effectively assist long distance transport.

Q: 23. A 'freight pool for yarn on an all-India basis may be created. A minimum distance of 50 miles from the source of production or original supply may be excluded from the pool.

Q: 25. Railways alone should work the pool.

Q: 27. Short distance charges may be waived for cotton yarn.

Q: 29. Telescopic rates are feasible to merchants. Station-to-station rate should be fixed for all capital cities to enable free movement of goods from one station to another.

Q: 30. Shipment traffic should be given station-to-station rate.

Q: 31. The objectives should be—

(i) development of cottage industries, and

(ii) decentralisation of industries.

Q: 32. Yes. For instance, Government are specially interested in promoting the Handloom Industry to provide continuous and remunerative employment to the millions of weavers who depend on this industry—A special bias in favour of this industry is, therefore, necessary.

Q: 33. This contemplates some assistance for the development of new industries. For purpose of textiles though handloom is an old industry, it should be brought under new industry under the Five Year Plan against mill industry which should be classified as old. The handloom industry must have some preference in the matter of transport of not only the yarn as referred to in reply to question 23, but also cloth for movement from one place to another. There is at present a concession in the railway freight for handloom cotton goods and these charges are at half the usual rates. The railway expects the consignor to declare the contents and also pay extra freight in respect of goods containing silver lace and art silk valued over Rs. 300/- which come under "exceptional goods" within the meaning of item (c) and (i) in the schedule II of the Indian Railway Act. In most of the handloom cotton saris, a little quantity of lace or silk is used. The railway takes the entire value of the articles and not the value of the excepted goods alone in any consignment for purposes of the above rule. So the transport of handloom goods under concessions with the above declaration does not help the consignor to have any great advantage by relief given under 50% freight.

Q: 37. The provision absolving the railfrom way liability on account of running railway theft, civil commotion, and looting, is against the interest of the consignor. For this reason it is only when alternative system of transport is not available that railways are made use of. Railways need not pay for damages to goods not packed according to specifications, but they must accept responsibility for shortages.

Q: 40. Handloom fabrics should be classified as 'low rated.'

Q: 41. It is advisable to have a rate stablised according to the ports of shipment instead of charging on the basis of the number of miles travelled from the station where the parcel is booked to the port.

Q: 47. Concessions granted to the agriculturists should be extended to handloom weavers.

Where wagon-load bookings are arranged, werehouses should be constructed to stock goods as in their absence goods are exposed to weather.

Q: 1. (a) The distinction between transporting goods at owner's risk and railway risk should be abolished in respect of all commodities, perhaps applying such risk to only perishable commodities where the railway may feel helpless for reasons beyond their control.

PART II.

(b) Most of the traders prefer to book goods at owner's risk on account of the cheap rate and less rigid restrictions on packing.

(c) Generally handloom cloth and costly goods are booked at higher railway risk rates where alternative owner's risk is available.

Q: 12. No goods of any category should be accepted for transport at any other rate than at railway risk rates.

Q: 17. Railways should take proper care of the goods entrusted to them, and protect them against rain and weather. If the railways become common carriers they are bound to take care of the goods entrusted to them and there is no need for a separate agency for the provision of warehouse facilities.

Q: 18. The railways may arrange for the insurance of goods accepted for booking at owner's risk. There is no question of any such insurance for goods accepted at railway risk. The rate charged should cover such risk. As bailees, railways are at present liable only for negligence, while, if the law is amended making them common carriers they are liable for loss or damage whether it is on account of their negligence or not, subject to certain recognised exceptions as act of God, country's enemies and inherent defects in goods to be carried.

The Textile Commissioner,

Bombay.

PART I-A.

Q : 14. The suggestion that a minimum weight should be specified in the case of movements by goods-train is a good one and if given effect to would ease the traffic position considerably. The minimum weight in the case of goods train movement may be raised to say one maund.

Q : 16. Whatever steps are taken to encourage consignments being offered in terms of full-wagonloads, wherever possible, instead of in smalls, will be most welcome. Our experience is that we are not able to obtain larger quotas and to move more substantial quantities of textiles in full-wagonload presumably because the clerical and other work involved as far as the railways are concerned is thereby minimized.

Q : 17. Movements to and from the textile industry and trade are not sufficiently heavy to justify full train loads.

Q : 23 The creation of a freight pool for essential commodities affecting the cost of living of the average citizen in India is no doubt sound. Those essential commodities in particular which are produced in a particular area or areas owing to their inherent geographical location and which require to be transported for consumption to different parts of the country where production is *prima facie* impossible should qualify for this freight pool. So far as cotton cloth in concerned, the major portion of the industry is located in the State of Bombay. The spinning units, however, are located largely in the South Requirements of cloth for the public are catered both by the well-organised textile industry and by the handloom and powerloom industries. Handlooms are predominantly in the South. There is at present free distribution of cloth between the several centres. As regards. cotton, which forms the most essential product in the manufacture of cloth, the cost of transporting it to manufacturing centres is only a fraction of the total cost of production of the finished goods and revision of freight rate to bring them to uniform level will not result in any appreciable reduction in the total cost and production of the finished goods; furthermore, uniform freight rates will tend to encourage avoidable cross country movements of cotton. We, therefore, do not recommend that freight pool should apply to cloth or cotton. On the other hand we have received representations from the Mill owners of Ahmedabad, Saurashtra, and other places complaining of exorbitant freight that they had to pay for coal from collieries to destination which often exceed the pit-headway value of the coal.

Similarly, in the case of some of the mill stores the freight becomes a major factor in the rise of the prices of material. We, therefore, suggest that freight should bear relation to the value of the commodity, which has to be transported and the lower the value, the lower should be the freight rate.

Q : 30. Cotton textiles trade is mostly concentrated in the Ports of Bombay, Madras and Calcutta and these being near the production centre, no revision of station-to-station rates is, generally, speaking, considered necessary. The mills in Northern India, however, generally Complain that their cost increases by over 5% just because of extra expenditure on account of freight to port. It is worth while considering whether some lower freight could not be determined for cloth meant for export when despatched from upcountry centres like Delhi and Kanpur, etc. to the Port.

Q : 31 & 35. The main criterion should be that any commercial undertaking of the Government should be so managed as to enable it to be economic. It follows, therefore, that in formulating the Railway freight structure, the needs of the Railway finance and the economies of Railway working should be the main consideration. Within this frame work, the policy should be that the railway freight structure is so devised as to give maximum encouragement for the movement of goods, from the producing centres to the consuming centres with due reference to the economics as to what the goods can bear. In this respect, movement of valuable goods *prima facie* might cost less than the movement of heavier goods would take into consideration the capacity of the consumers of the goods to pay the railway freight. Apart from this consideration Railways should also keep pace with the projected development of Industries in the country by so adjusting the freight structure that althouth a particular traffic is not paying immediately or in the near future, there is the likelihood of large movement of traffic when the projects are fully developed.

Q : 38. The price controls on cloth having been removed, this question does not apply at present. So far as cotton is concerned, there is a control on prices to the extent that the floor and ceiling price have been fixed by Government. The present freight structure has not affected adversely this frame work.

Q : 40. According to the present indication regarding the development of the organised Mill Sector during the Second Five Year Plan, the allotment to the Mill Sector may increase by about 10 to 15%. The balance of the requirements of the country will be met mostly by the Handloom Industry. There will also be appreciable development of the Spinning Section of the Textile Industry, but more of the spinning units are expected to be concentrated round about areas where there is plentiful supply of cotton. Furthermore, the concentration of handlooms itself is within Zones near the Yarn producing Mills. Therefore, the increase in the total volume of traffic is not expected to be very considerable. In regard to cotton, which is a high rated commodity, the additional cotton traffic that the

Railways would have to make during the Second Five Year Plan should bring in sufficient revenues to defray the additional expenditure involved in extending railway facilities. Even if it is not so, the additional expenditure required to be incurred by the railways should not result in any increase in the freight rates but should be financed from other sources.

Q: 41. Fluctuations and the competitive conditions in the export market should not affect the railway freight structure.

Q: 42. In view of the postwar policy to build up an export market for Indian-manufactured textiles, rail movement of consignments intended for export are now taking place, not only from the main producing centres like Bombay, Ahmedabad etc., to consuming areas throughout the country, but also from up-country textile producing centres like Delhi, Kanpur, Nagpur, etc., to Port towns like Bombay, Madras, etc, which are themselves producing centres. With a view to stimulating exports, it would seem to be desirable to provide for concessional freight rates for rail movement of goods intended for export.

Q: 44. Owing to the decontrol, the prices of various varieties of cloth and yarn are determined by supply and demand position. All the mills generally sell at ex.mill rates.

Quantity of woven goods manufactured and yarn spun in Indian Cotton Mills.

(Sources–Monthly Statistics of Cotton Spinning and Weaving in Indian Mills).

	Woven goods in million yards	Yarn spun in million lbs.
1938-39	4,269	1,303
1947-48	3,770	1,330
1952-53	4,715	1,476
1953-54	4,964	1,517
1954-55	5,040	1,590

Note:- The above figures relate to undivided India upto August 1947 and in subsequent period to India after partition.

Ministry of Production,

(Chief Executive Officer) Lignite Investigation

New Delhi.

PART I-A

Q: 4. The existing system may be continued.

After large scale mining of lignite is undertaken and raw lignite and carbonised lignite briquettes are produced on a commercial scale, concessional freight charges may be called for to popularise their use. This will be taken up at the appropriate time.

Q: 5. (i) *Terminal charge:* The levy of terminal charge may be continued but the charge when owners load or are required to load be reduced.

(ii) *Short distance Charge:* The Railways seem to be finding it difficult to handle the traffic offering and there are delay in transport. Short distance haulage can very well be done by Road Motor Transport which it is in the interests of the country to develop. The levy of a short distance charge will discourage rail haulage over short distances, enable the Railways to concentrate, with better efficiency, on long haulage and encourage road transport of goods over shorter distances, thus ensuring good co-ordination. In fact the short distance charge may be increased to the extent possible.

(iii) *Transhipment charge for break of gauge:* It may not be fair for an unfortunate railway user, who has to carry his goods over different gauges to bear the transhipment charge over which he has no control and I would advocate its abolition.

Q: 6. No change is desirable.

Q: 7. Where road transport is available, the minimum distance may be 100 miles. (please see the answer to Q: 5 under 'short distance charge' above).

Q: 8. The wogon rates are based on standard telescopic scales and it is always possible for these telescopic rates for a particular class of goods to be so modified that the empty haulage charge are equitably distributed among the users of such wagons. As some empty haulage is inevitable, there seems to be no point in charging for it separately.

Q: 9. Subject to the remarks in respect of Q. 4 above and reduction of freight rates in special cases of cheaper commodities with reference to economic needs, the grouping may stand.

Q: 10 Please see the answer to Q:9 above.

Q: 11. A reference is invited to the answer to Q: 5 under 'short distance charge' above. Railway transport of 'smalls' over distances of less than 100 miles may be discouraged.

Q: 12. The minimum charge should be based on the class of commodities carried. Varying minimum rates for different classes of commodities are therefore suggested.

Q: 13 In view of the answer to Q: 5 and 11 above, the minimum charge may regulate the distance. If minimum charges vary with the values of smalls, the

cream will be skimmed by road traffic and Railways will lose. A uniform charge will therefore be adequate.

Q: 14. I agree with the suggestion. The minimum weight may be raised to one maund.

Q: 15. A reference is invited to the answer to questions 13 above. I agree with the suggestion but have no remarks to offer regarding the maximum weight to be adopted for the purpose.

Q: 16. I agree with all the suggestions made in the question.

Q: 16. (A) No comments.

Q: 17. It does not appear feasible or desirable to have train load rates.

Q: 18. The suggestion is a good one. This will benefit the railway user, as well as the management, in moving the materials quickly from place to place. The railway user will compensate for the extra expense on express service.

Q: 21. I agree to all the suggestions. Please refer to my answer to Q: 5, 7, 11 and 13 above. In national interests we must develop road and canal transport and coastal shipping.

Q: 22. The freight rates by rail compare favourably with freight rates by road and inland waterways. The railway rates are generally less.

Q: 23. While it has got to be agreed that the industry situated far away from essential raw materials is handicapped by the fact that the freight comes to be a disproportionately large cost of the finally manufactured product, it is doubtful whether creating a freight pool for all commodities will materially benefit the industrialisation of the country, if freight pools are created for commodities like coal, iron ore, etc., which are available only in localised places and needed everywhere in country. I will discourage industrialisation of underdoveloped states, if freight pools are created for the finished products, say iron and steel. If the freight pool is created for iron and steel, it will give an incentive for the starting of more iron and steel industries in areas where iron and coal are available in abundance. It will discourage any development of the industry in other places. So in creating a freight pool, various factors must be considered and should have bearing only on the industrialisation and development of all parts of the country and benefit the consumer most. It may be possible to have a freight pool on zonal basis for some commodities and on all-India basis for certain other commodities, but these must be considered on their own merits as indicated above The freight pool may also apply for those commodities which are essentially imported materials, say petroleum products, to give the benefit of uniform price to the consumer throughout the country. The freight pool idea could be supported at present for coal, kerosene oil, petrol and chemical manures, not for iron and steel, cement and salt.

Q: 25 The freight pools should be worked out by an appropriate Government agency, taking into consideration the interests affected *viz.*, the consumer industry and Railways.

Q: 26. Any revision of the freight structure should be such as not to affect the development of any industries and agriculture.

Q: 27. There are no instances of previous cases turned down in respect of the Lignite Investigations, Neiveli. It may however be mentioned that Gypsum from Perambalur and Ariyalur may have to be transported to the proposed fertiliser plant in the Integrated Lignite Project at Neiveli and the provision for permission of waiver must be applied to the case.

Q: 32. Freight structure should be utilised to bring about the development of particular industries which are very essential for the defence and other essential needs of the country. There is a justification for using this to bring about rational development of industry and also for full utilisation of raw materials available in the country.

Q: 33. While generally it is not advisable to have distinction, in special cases of an altogether new industry it may be necessary. Each case will have to be dealt with on merits.

Special consideration for economic development of underdeveloped areas must of course be shown, even in respect of a new unit in such an area of an exsting industry. All such special treatment may be for a period of not more than 10 years, *i. e.* till the new industry or new unit has stabilised itself.

Q: 34. Underdeveloped areas will be comparatively poor and cannot be expected to afford to pay the inflated mileage rates. Once the lines are constructed and the areas develop they can be expected to pay the Railways adequately.

Q: 37. While it is desirable to assist village and cottage industries, it is apprehended that any tinkering with the rates structure for the purpose may lead to serious abuse.

Q: 39. It has been said that the cost of transporting coal to South India is much more than the actual freight paid by the consumer. Coal being an essential raw material for the general well-being of the industry and the country as a whole, there may not be justification for further increasing the freight on this commodity and make it very expensive for the industries in South India. Such a policy could be revised if the natural resources in the part of country are developed and substituted for the coal now being imported. There is no justification at the present time for revising this policy with regard to key materials like coal, petrol etc.

Q: 40. The question seems to presuppose that the cost of transport is more or less unalterable. It should not be impossible by methods of rationalisation, co-ordination better supervision and better application to operate rail transport more economically especially when traffic increases.

Q: 41. Railway freight rates should be tinkered within such cases. Excise and export duties could be imposed or altered to suit varying conditions.

Q: 46. The lignite project, Neiveli, is ardly, likely to affect movement of agricultural produce in the area.

Q: 51. The lignite project envisages the achievement of the following targets by the end of the Second Five Year Plan :—

1. Mining of Lignite–3.27 million tons per annum.
2. Generation of power. 211 M. W.
3. Carbonised briquettes. 3,80,000 tons per annnm.
4. Motor spirit —— 64,000 tons per annum.
5. Tar ——— 51,300 tons per annum.
6. Phenol ——— 1,032 tons per annum.
7. Char dust. ——— 43,000 tons per annum.
8. Ammonia sulphate nitrate (Double Salt) 2,20,000 tons per annum.
9. Urea ——— 65,000 tons per annum.

This project will involve an expenditure of about 75 crores of rupees during the period 1956-61.

As a direct result of the extraction of lignite, fillip is likely to be given later to the working of iron ore and bauxite deposits of Salem.

A Ceramic Industry is also likely to be set up at Neiveli for utilising the high grade clay found in the overburden in the lignite bearing area.

Q: 52. The development of lignite project will necessitate large movement of goods from and to Neiveli. The total transportable goods from Neiveli may be about 1.5 million tons per annum. The range of distance of transport of products may be taken at about 200 to 250 miles. In the earlier stages of construction of the project, large amount of cement, iron and steel materials, machinery and equipment and other supplies, required for the project will have to be moved to Neiveli from Madras and other places.

Q: 53. Most of the cement required for the project has to come from Dalmiapuram (Tiruchirapalli District). and Madukkarai (Coimbatore District) The iron and steel materials have to come from Madras. The machinery that will be required for the project are likely to be imported from abroad and have to be moved to Neiveli, either from Bombay or from Madras. The length of movement of materials, mentioned above, excluding imported machinery that may have to come from Bombay, may be assumed at about 200 to 250 miles.

Similar development can be expected round about Salem and Tiruchirapalli.

Q: 54. Please see my comments in respect of other relevant questions.

As regards the other questions in Part I-A and the question in Part I-B of the Questionnaire, we either have no experience of the matters involved to express an opinion or have no comments to make or are not concerned with the points at issue as the lignite investigations are still only in the investigation stage.

PART II

Q: 1. (a) As far as we can say 50% cases of the booking is on railway risk and 50% at owners risk.

(b) Costly glass commodities, *e.g.* scientific apparatus and delicate engineering important articles, *e.g.* article machines etc. and valuable Raw-materials especially chemicals *e.g.* aceton and formaldehyde etc, are booked at higher railway risk rates.

(c) As far as it is known, there is no change.

Q: 2. (a) In the exceptionally costly and important goods private insurance is more in addition to railway risks. The reason being that the claims are not led within a reasonable time by private insurance companies.

(b) Breakage, pilferage and damage the rate of premium varies, but is about 1 to 2%.

(c) This undertaking started only in 1953. The answer to this question is not possible.

Q: 3. This information is not available from this undertaking.

Q: 4. This information is not available from this undertaking.

Q: 5. (a) The majority of the claims are due to the cause 'Deterioration' to delay in transit and damage to consignments on account of rough handling.

(b) During the period 1953-54 we claimed damage from the Railway to the extent of Rs. Nil; 1954-55 Rs. 115/-only.

(c) No claims were rejected by railways.

Q: 6. (a) Refer (c) above.

Q: 7. (a) No experience.

(b) Apparently there is no need for a change.

Q: 8. Both railway and owner's risk rates should be open to all commodities whether moving in small or wagon loads.

Q: 9. No commonts.

Q: 10. Suggest no change.

Q: 11. Not applicable in view of our opinion regarding No. 10. above.

Q: 12. No comments.

Q: 13. Yes.

Q: 14. No change.

Q: 15. No comments.

Q: 16. Strict packing conditions should be prescribed for all commodities to be transported. This should be strictly adhered to.

Q: 17. (a) 'Ware House' is an important economic advancement as seen in the Western countries. The facility of warehouse as mentioned in question is quite essential and needs immediate step for provision at the places of despatch and delivery too, schemes for provision of such facilities are not known to us.

(b) Railways themselves should do this.

Q: (a) 18. Railways should be insurers and not bailees, thus to carry the incidence as a surety of the consigment.

(b) yes.

Q: 19. A very strict and complete arrangement of Watch and Ward Department should be ensured with the wagons and at places of despatch and delivery too.

Q: 20. No comments.

Q: 21. The claim settlement of procedure appears to be long and cumbersome. It takes ages for claims to be settled. Quick disposal is necessary.

PART III

Q: 1. (a) No suggestions.

(b) Yes, Railways Rates Tribunal may be empowered to initiate investigation in regards to freight rates.

(c) This does not apply in view of our reply to 1 (a) above.

Q: 2. Yes. This is satisfactory. No suggestions are offered.

Q: 3. Reference should be made to Railway Rates Tribunal for re-classification of any commodities in higher class.

Q: 4. No comments.

Q: 5 & 6. No experience and hence no comments.

Q: 7. Since common man is not fully aware of the rules and regulations and legal aspects, a legal practitioner comes into the picture. Procedural efforts and technical matters prevent the party.

Q: 8. No suggestions.

Q: 9. No comments.

Q: 10. (a) Yes.

(b) Yes. This is satisfactory.

Q: 11. Yes. 2 bodies of say 5 members each for Non-Judicial and Judicial body be appointed, as under :—

Railway Boards	1 Nominee
Business community	2 Nominees
Government	2 ,,

The Government nominee should be the chairman.

In case of Judicial Body, out of Judicial members only, one shall be elected as chairman.

Both the bodies will work in close contact with Railway Board, which will link co-ordination between the two.

Q: 12. No. Railway Rates Tribunal should necessarily exist.

Coal Board,
Calcutta.

GENERAL

The Coal Board is a Statutory Body and is under the administrative control of the Government of India, Ministry of Production. The principal function of the Board is to take suitable steps to ensure both safety of coal mines and conservation of coal. One of the most important measures for safety and conservation is stowing. Blanketing with sand is carried out to control underground fires. These operations also contribute materially to the safety of Railway lines running over coal bearing land. The Board undertakes the work directly in certain cases and also makes monetary grants to different collierries carrying out these operations.

Since 1940 the Board has been directly carrying out large scale blanketing operations to control fires in the Jharia coalfield. Sand is loaded into uneconomic Railway wagons by the Board's contractors at the assisted siding at Bhojudih for transport to various sidings within a distance of 5 to 20 miles. The Railway freight charge, which was Rs. 10/- per wagon (approx.) in 1940, has been increased from time to time, the present rate coming to Rs. 70/- per wagon (approx.) including siding charges etc. as follows:

Freight	...	Re. 0 1 6 per maund.
Siding charges (at the destination end)	...	Re. 0 0 2
Siding charge per 4 wheeled wagon at Bhojudih	...	Rs. 7 13 0

The reserves of good coking coal are limited. If coal is extracted without stowing, there is a wastage underground and the quantity of coking coal that may be recoverable would be of the order of 1,280 million tons. On the other hand if stowing were adopted, the recoverable reserves would increase to 2,190 million tons. The importance of stowing to conserve the country's rather small reserves of coking coal is, therefore, obvious. Sand is the most suitable stowing material and hydraulic stowing with sand is the best method suited to conditions in Indian Collieries. Some large collieries have installed their own ropeways for

conveying sand. But, for the smaller collieries and those situated at a distance of more than 6 or 7 miles from the rivers, which are the sources of sand, such installation is not a feasible proposition. The supply of sand by Railway wagons from Bhojudih (on the South Eastern Railway), where the Board has an assisted siding for loading sand would enable several collieries to carry out stowing. But, with the present high rate of freight, stowing will be uneconomical as the delivered cost of sand would be within Rs. 2/- per ton if stowing is to be economical. Taking the costs of loading and unloading into account, it is clear that the traffic cannot stand a freight in excess of Re. 1 per ton. In view of the increasing demands for coking coal consequent on the large scale programmed expansion of the Iron & Steel Industry, conservation of coking coal and stowing for conservation have assumed very great importance. In the circumstances, the Coal Board would suggest that a special freight rate should be fixed for sand, used for stowing and other allied operations, booked on the orders of the Coal Board.

All India Handicrafts Board,

New Delhi.

GENERAL

The question of affording some relief in respect of the railway freight for the movement of handicraft goods was engaging the attention of the All India Handicrafts Board some time past. The Board therefore, in its effort to increase the marketing facilities of handicrafts goods in the country and as a specific measure to that effect, undertook a special study for the railway rates structure for transport of handicrafts goods. The Special Officer, appointed by this Board for this purpose has since submitted a report after a detailed study on the grant of railway priority to the movement of handicrafts at concession rates. A copy of his report *in dublicate, is enclosed herewith for information.

In this connection I am to state that this Board has appointed a Sub-Committee to examine this report. On receipt of their recommendations, the matter will be further considered by the Executive Committee and you will be informed accordingly.

The Committee, as is learnt from the telegram, has called in specific suggestions and proposals on:

(i) clearer definitions of 'Handicrafts' in general classification of goods;

(ii) re-classification of 'Handicrafts';

(iii) concrete proposals for development freight rates on such handicrafts which are facing competition against similar machine-made products as discussed in the Supplementary Report.

For a clearer conception of 'Handicrafts', the definition as adopted by the Board and the crafts that have been recognised by the Board as 'Handicrafts' are given hereunder:—

(*a*) ***Definition:*** 'Handicraft industry is a cottage or small-scale industry requiring skill and craftsmanship in its execution and which is carried on by a process and with tools with or without power over which the craftsmen can have full control..... "

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* The report has not been incorporated in this book, as it will be available with the Government of India.

(b) *List of Handicrafts:*

Textiles

Hand-printing and traditional dyeing of textiles;
Brocades;
Himroo;
Carpets and druggets;
Rugs, gabbas and namdas.
Embroidery (cotton, silk, wool and sari);
Lace and lace work including nakki and gota making;
Shawls.

Metalware

Silver and gold-ware;
Bidri;
Filigree;
Brassware and copperware;
Bronze work;
Bell metal;
Tanjore artware.

Wood work

Wood carving and inlay;
Lacquer work including nirmal work;
Decorative furniture.

Ceramics

Pottery and earthenware.

Stone work

Stone-carving including marble work and alabaster.

Toys

Dolls, and toys other than mechanical toys.

Leather

Leather goods.

Ivory

Ivory carving.

Papier Machie

Papier-machie articles.

Horn

Horn.

Bone

Bone.

Cane, Bamboo etc.

Articles made of cane, bamboo, willow straw, and grass including mats and pithcraft.

Incense & Perfumery

Incense and perfumery.

Flax & Fibre

Handicraft articles made of flax and fibre.

Bangles & Beads

Bangles and beads.

Musical Instruments

Musical Instruments.

Conch-shell and semi-precious stones

Articles made of conch-shell and semi-precious stones.

Miscellaneous: Miscellaneous traditional art objects, such as Orissa, Mysore and Tanjore paintings; and handicraft products specially made for ceremics, articles of worship and theatrical requisites, such as costumes, masks, puppets, etc.

From the above list it would be noticed that it is in a very condensed form. For incorporating in the general classification of Goods Tariff list, clearer definitions of handicrafts are needed to avoid wrong interpretations, and a list of the suggested definitions to replace the existing one is given in Appendix I (enclosed).

(c) *Re classification:* If the Committee be favouring retention of the existing number of classes in the general classification of goods, the following suggestion is made :—

The handicrafts be sub-divided into 4 divisions *viz.*, A, B, C & D. Thus:

Name of Article	Present classification	Suggested classification
Handicrafts Division 'A'		
Brocades ...	15	12
Himroo ...	15	
Embroidery (Zari)	15	
Silver and gold ware Filigree (not accepted as goods traffic)	...	...
Ivory carving ...	15	12
Semi-precious stones (Minor gem stones) except turquoise	15	15
Turquoise ...	10	15

Name of Article	Present classification	Suggested classification
Division 'B'		
Hand-printing and traditional dyeing of textiles ...	13	
Carpets ...		
Druggets ...		
Rugs ...	10	
Gabbas ...		
Namdas ...		
Embroidery (cotton, silk & wool)	14	
Lace and lace work		
Cotton ...	14	
Silk ...	15	
Zari ...	15	
Nakki and gota making		
Cotton ...	14	
Silk ...	15	
Shawls fine ...	15	

Name of Article	Present classification	Suggested classification
Handicrafts Division 'B' (contd.)		
Bidri (N.O.C) ...	15	
Brass & Copper ware ...	9	
Bronze ware ...	13	
Bell-metal Tanjore-ware	13 & 15	
Wood carving ...	15	
Inlay ...	15	
Lacquer ...	15	
Nirmal work (N.O.C.) ...	15	
Decorative furniture (N.O.C)	15	
Leather goods ...	12	
Papier-machie articles	14	
Horn (N.O.C) ...	15	
Bone (N.O.C.) ...	15	
Incense and perfumery	12 & 15	6
Musical instruments ...	15	
Articles made of conch shell Miscellaneous traditional art objects such as Orissa, Mysore and Tanjore paintings, and handicraft products specially made for ceremonies	15	
Articles of worship and theatrical requisites, such as costumes, masks, puppets, etc.	8	
Bangles of glass ...	10	
Beads of glass ...	8	
Lac and ivory ...	15	
Division 'C'		
Lacquer work (Lacquered ware)	14	
Ceramics—porcelain ...	14	
Stone-carving ...	8	4
Marble work and Alabaster Handicrafts articles made of flax and fibre (N.O.C.)	12	
Division 'D'		
Ceramics—earthenware including clay figures	7	
Dolls ...	3	
Toys other than mechanical	9	
Articles made of cane	12	3
Bamboo (N.O.C.) ...		
Willow, straws and grass (N O.C.)		
Mats ...	4	
(Pithcraft) ...	8	

Note:—N.O.C. indicates 'Not otherwise classified'.

As suggested in paras 40 and 107 of the original *report** and para 30 of the supplementary *report**, the Indian Railways would not be in a position to provide easy and quick lift for 'smalls' by goods train services for a considerable period to come It is suggested that the interim relief may be given by grant of 50% concessions on passenger freight rates to all handicrafts except the under-mentioned handicrafts on which 75% passenger freight concession should be allowed in order that they may not suffer from high freight costs in relation to the machine-made goods :—

(i) Hand-printed fabrics ;

(ii) Brass;

(iii) Bell-metal;

v) Hand-made toys and dolls—of all descriptions.

(v) Hand made smokers' articles manufactured from brass, copper, bell-metal, wood, bamboo, cocoanut shell, etc. etc.

(vi) metal containers—manufactured from brass, bell-metal, bronze, copper, wrought iron, etc. etc.

(vii) Bags and wallets—manufactured from cotton, wool, leather, cane, grass mat, etc. etc.

(viii) Hand-made pottery—earthen and porcelain.

* Reports not printed

APPENDIX I.

Present Definition			Suggested Definition		
S. No.	Name	Class	Name		Class
1	Art Pottery	14	Art Pottery " "	(earthen) (porcelain)	
2	Bags Carpet	12	Bags Carpet " "	(machine-made) (hand-made)	
3	Bags Cotton	8	Bags Cotton " "	(plain-hand made) (hand-embroidered or hand printed)	
4	Bags leather	12	Bags leather	(hand-made plain or with art work)	
5	Bags N. O. C.*	3	Bamboo "	(unmanufactured) (manufactured)	

Present Definition			Suggested Definition	
S. No.	Name	Class	Name	Class
6	Bamboo	6	Bamboo (unmanufactured) ,, (manufactured)	
7	Bamboo handles for cheap umbrellas	4	Should go under bamboo manufatcured.	
8 9 10	Bangles—glass Bangles—ivory Bangles—lac		Should be placed under manufactured articles, from which produced and whether hand or machine-made.	
11	Bangles—N. O. C.*		Bangles—other varieties including plastics.	
12	Baskets country		Baskets, plain (Cane, bamboo, grass, reed, willow or grass.)	
13	Baskets N. O. C.*		Baskets, artistic (cane, bamboo grass, reed, willow.)	
14	Bell metal—ingots, sheets or slabs	8	Same as Brass —ingots, sheets or slabs	
15	Bell metal—scrap		Same as Brass —Scrap	
16	Bell metal—ware	13	Same as Brass —ware	
17	Brass—ingots, slabs	4	Brass, Bronze, Bell metal or any other... similar alloy unmanufactured	
	Brass—sheets	5	Except scrap.	
18	Brass—scrap	3	,, —scrap	
19	Brassware	9	,, —manufactured, plain, engraved,... plated or enamelled.	
20	Cane—N. O. C.	8	Cane—unmanufactured	
21	Cane—Walking	14	Cane—manufactured includes walking sticks, trays, bags, boxes, chairs, sofa sets, shades, lamps	
22	Caps knitted	12	Caps—hand knitted or embroiderd includes made of cotton, silk, woollen	
23	Carvings	15	Carvings—Ivory (see under ivory) Stone (see under stone) Wood (see under wood)	
24	China—ware	14	China-ware—see under pottery (earthen & porcelain)	
25	Clay figures	14	Same us earthenware	
26	Combs—horn ivory	8 15	Combs—horn (see under horns) Combs—ivory (see under ivory)	
27	Copperware		Copperware—machine made. Copperware —hand-made	
28	Copper—ingots, slabs or sheets		Copper unmanufactured	
29	Earthenware		See under ceramics	
30	Embroidery goods		To be placed in categories according to the materials from which made and specified 'machine made or hand-made'	
31	Engravings		Engravings—metal...machine-made hand-made wood....machine-made hand-made ivory....hand-made stone...,hand-made	

**Not otherwise classified*—Items under N. O. C, provide loopholes. It is suggested that they should be placed under the commodities from which they are manufactured.

S. No.	Present Definition — Name	Present Definition — Class	Suggested Definition — Name	Suggested Definition — Class
32	Furniture		Furniture and cabinet wares excluding wood articles, carved and inlaid Wood articles carved and inland, Walnut, Rose wood, Sandal-wood, others	
33	Glass-ware		Glass-ware machine-made " hand-made	
34	Ivory		Ivory unmanufactured Ivory manufactured includes images and bangles plain or carved	
35	Lace—Cotton Fringed		Lace—machine made—all varieties hand-made—all varieties	
36	Lace—silver		Lace—gold and silver (real) Lace—gold or silver (imitation)	
37	Lameta		Lemeta—Real silver Lemeta—imitation	
38	Leather goods		Leather goods manufactured (other than boots, shoes, sandles, slippers etc.) Plain, embroidered or unembroidered	
39	Marble		(i) Same as stone slabs, dressed or undressed (ii) Same as stone engraved including plain or carved articles, images, statues etc.	
40	Rattan		Same as cane	
41	Sticks		Sticks wood plain Sticks wood engraved Sticks cane	
42	Stone-ware		Stone-ware including engraved articles and images	
43	Toys		Toys machine-made Toys hand-made	

Salt Commissioner,
Bombay.

PART I-A

Q : 1. (a) No special comments.

(b & c) The telescopic rate is undoubtedly helpful to the Salt Industry where the distance involved is more than 300 miles. Regarding the present telescopic rate, which was introduced from 1-10-1948, the Salt Experts Committee which examined this question in their report published in 1950, however, commented as follows :—

Prior to 1st October, 1948, salt was classified by the Indian Railways at Class I for purposes of freight. Under this class the maximum rate that could be charged was fixed at 0·380 pie and the minimum at 0·100 pie per maund per mile. The railways were however authorised to fix scheduled and station-to-station rates for wagon loads within these limits. Some Railways, for instance, quoted a scheduled rate of 0·300 pie per maund per mile for any distance; others quoted a telescopic rate which started with the maximum rate of the class of 0·38 pie per maund per mile for the first 75 miles and progressively went down to 0·100 pie per maund per mile for distance over 300 miles; still others started with an upper limit of 0·333 pie per maund per mile for the first 300 miles which progressively decreased to 0·100 pie per maund per mile for distance above 700 miles. The station-to-station rates for wagon loads were even

lower than the scheduled rates and they were offered from all producing centres to principal centres of consumption. Since the World War II all these rates were subject to a surcharge of 12½ per cent. There was a great diversity in these rates among different Railways but little purpose would be served in discussing this diversity, since the rates have been revised and made uniform for all Railways from 1st October, 1948. This revision was general and applied to all commodities. The surcharge was removed but in the new classification salt was upgraded from Class I to as under:—

	Classification
(a) Salt, not otherwise classified (N.O.C.) including hide salt.	2 R.R. (Railway risk)
(b) Salt N.O.C. for wagon loads	WL/1
(c) Salt, refined in bags	7 R.R.
(d) Salt, for table use	12 R.R.

With the introduction of these rates, there is no longer any room for scheduled rates to be quoted by individual Railways, but station to station rates are still in force, though they have been revised in an upward direction. Maximum rates for any distance have also been introduced.

The rates charged for the new classes are given in Table CXXXVIII:

Table CXXXVIII RAILWAY FREIGHT RATES FOR SALT

Class	Per maund per mile (pies)			Maximum rate per maund
	1st 300 miles	Plus next 300 miles	Plus for distances beyond	
				Rs. A. P.
(a) 2 R. R.	0.54	0.49	0.45	3–10—0
(b) WL/1	0.43	0.23	0.15	Nil
(c) 7 R. R.	0.78	0.73	0.68	5—9—0
(d) 12 R. R.	1.11	1.04	0.97	7–14—0

As a result of this revision the rate for less than wagon loads has gone up from 0.38 to 0.54 pie per maund per mile, an increase of 42 per cent or after taking into account the war time surcharge of 12½ per cent an increase of 26.3 per cent. This is only with regard to salt, not otherwise classified; in the case of refined salt or salt for table use the increase is much greater. In the case of salt despatched by wagon loads, the new rate WL/1 is also higher than the scheduled rates quoted by the different Railways previously. According to the present system of zonal distribution the average distance that salt travels within a zone is not probably more than 500 miles; a substantial part of it actually travels much less. Taking the average distance of 500 miles as a basis for comparison, we give in Table CXXXIX the increase in freight that has occurred in the transport of salt as a result of the revision. The cost of moving salt under three different scheduled rates are compared with WL/1 rate now in force:

TABLE CXXXIX—COMPARISON OF RAILWAY FREIGHTS.

	Freigt per maund for 500 miles
Old schedule rates:—	
Type	Rs. a. p.
1. 0.30 pie for any distance plus 12½% surcharge = 0.3375	0 14 1
2. 0.38 pie for the first 75 miles 0.20 pie from 76 to 300 miles 0.10 pie from 301 to 500 miles } plus 12½% surcharge	0 8 9
3. 0.333 for the first 300 miles 0.20 from 301 to 500 miles } plus 12½% surcharge	0 13 1
Present rate:—	
WL/1 0.43 for the first 300 miles 0.23 for the next 200 miles	0 14 7

It will be seen that the present WL/1 rate is higher than the highest of the previous scheduled rates; in some cases. as in type 2, the increase is more than 50 per cent.

It woud be relevant to examine this increase in freight from another angle. Salt was classified in the previous classification as an item of food and was given the same classification as foodgrain *viz.*, Class I. Foodgrains also were given the scheduled and station-to-station rates for wagon loads which were similar to those for salt. When the classification was revised whilst foodgrain was retained in Class I, salt has been upgraded to class 2. The revised class rate is 0.49 for the first 300 miles, 0.45 for the next 300 miles and 0 40 for distances beyond with a maximum rate of Rs. 3/4/- per maund. For wagon loads, however, foodgrains are given the following rates.

Type	Rate per maund
WL D for the Group I Railways ...	... 0.38 pie for the 1st 300 miles 0.28 pie for the next 300 miles and 0.18 pie for distances beyond.
WL DG for Group II Railways ...	... 0.38 pie for the 1st 150 miles, 0.28 pie for the next 150 miles and 0.15 pie for distances beyond.

Making a comparison between the rates for salt and foodgrains for a distance of 500 miles, as against a charge of Re. 0-14-7 per maund for salt the rate for foodgrains comes to Re. 0-14-2 per maund for WL D and Re 0-10-9 per maund for WL DG. except in the case of wagon loads on Group I Railways the cost of transport of salt is appreciably higher than that for food-grains whether by wagon loads or otherwise. We, therefore, recommend that the classification for salt be revised and it be given the same classification and the same scale of charges as foodgrains. This might mean small loss of revenue to the Railways, but it will make salt available more cheaply to consumers.

We also do not see any justification for classifying refined salt and table salt in Classes 7 R. R. and 12 R. R, respectively. The difference in price between edible common salt, refined and table salt is not such as to warrant this substantial difference in Railway freight. Although the cost of manufacture of refined table salt would be higher than that of common salt obtained by solar evaporation, it is not such as to justify the levy of freight rates which are several times higher than that for common salt. It is advisable to remove this anomaly in freight as otherwise the manufacturers in India would lack the impetus to produce edible salt of good quality. If a separate classification for the refined and table salt is considered at all necessary, we recommend that both these varieties be classified under 2 R. R. This would provide a slightly higher freight rate than that for ordinary common salt for which we have recommended the restoration to its original class, *viz.* Class I.

We have heard complaints that the present railway freight on salt are unduly high for industries which use salt as their principal raw material. Even as it is, Indian industries cannot hope to get salt of the same quality as is easily available in U. K and U. S. A, at low enough rates. To ask the industry to pay a heavy railway freight on salt is to penalise it still further and to make the task of manufacturing chemicals at competitive prices more and more difficult. We would urge that special station-to-station rates should be introduced for the movement of salt for basic industries particularly those situated far away from the salt producing centres. Prices of manufactured chemicals have an important bearing on cost of production of most materials in the country and anything that increases the cost of the raw materials *ipso facto* raises the cost of the finished articles with consequential hardship to the consumer. We are aware that in order to place the industries on their feet relief is being offered in the shape of protection. To our mind relief in the matter of cost of transport of industrial salt, is a measure that should receive the earlier consideration of the Railway authorities.

It would be reasonable to classify salt for edible purposes along with grains and pulses in which group the commodities already included are bazri, barley, maize, dhail, gram, paddy, rice, wheat etc. None of these can be for long, consumed without the essential salt which is also an article of food. Comparison between freight rates of foodgrains (WL D) and salt (WL I) for 500 miles is as follows :—

WL/D	14 as 2 ps. per Md.
WL/I.....	14 as 7 ps. per Md.

If the salt is also classified under foodgrains, as has been recommended by Salt Expert Committee also, it will mean reduction of Railway revenue only to a very small extent (5 pies only per maund). But it will make salt available to the consumers at a bit cheaper rate. The Government of India have abolished the salt duty because the idea of Mahatma Gandhi was that the people should be relieved from any type of taxation on salt. So if the salt freight is equalised with the freight of foodgrains, this will mean, the Railway administration has also respected the wish of the Father of the Nation.

Q : 2 (a). The present rating arrangement no doubt permits some flexibility to meet the demands of the industries for development or expansion but it cannot be considered sufficient. Some more encouragement should be given by the Railway in this regard to the new essential industries, which cater for all classes of people and consumers

(b) The Salt Industry does not require any rail transport for movement of raw materials.

As regards finished product, since the Railways can quote station-to-station rate, there is scope for the various railway administrations to take initiative and exercise their discretion with a view to meeting the legitimate needs of industries, and if it is properly done it is helpful not only to the industry alone but to the consumers also. The Railways however, seldom exercise this discretion and they are guided solely by their own revenue consideration. If special station-to-station rate is granted for salt movement at least where the material is required for use as a raw material in another important basis industry, it would meet the legitimate demand of that industry. The Railway authorities concerned are empowered to fix station to-station rates. In case of rail transport of refined salt whether wagon load or in smalls the freight should be fixed at the minimum rate as in the case of ordinary common salt.

Q: 3 (i). The number of classes in respect of salt as introduced from 1st October, 1948, does not appear to be justified. There should be only two classes, namely:

(a 2 R.R. (b) W.L./I.

The classification of refined salt and Table salt under 7 R.R. and 12 R.R. has hard hit the consumers of these varieties of salt. Besides, the difference in price between edible common salt, and refined and table salt is not so marked as to justify the difference in Railway freight. The refined and Table salt may be classed under Class 2 R.R. Other than the above, the present class rates and wagon rates in respect of salt appear to be adequate subject to our comments under Question 1 (b & c) above. The financial effect of this modification will be negligible as the movement of refined salt and table salt is small as compared to ordinary common salt. The present difference in freight, however, deprives the consumers who want to use refined and table salt from obtaining the same from a distance as these grades of salt are not produced everywhere.

(ii) (a & b). No comments

Q: 4. So far as salt traffic is concerned, the present arrangement seems to be satisfactory and no change is required.

Q: 5 (i). No comments.

(ii). In this connection, attention of the Committee is invited to para 7 (b) of letter No. SA-187/55 dated the 17th October, 1955, from the Indian Salt Manufacturers' Association, Bombay to the Secretary of Railway Freight Structure Enquiry Committee, Calcutta which is reproduced below:—

"Two charges are now unjustifiably levied. One is a levy of 6 pies per maund where the aggregate distance for charge is less than 75 miles. The other is the minimum distance charge for 20 miles even though the actual distance is less than 20 miles Thus if the distance is, say, 7 miles, the charge is worked out on the basis of the first leg of the scale of charges for 20 miles and in addition 6 pies per maund are added. When in May, 1951, we pointed this out to the Railway Board, we were informed that these two are not new levies but are based on age-old practice, in force on Indian Railways and that these charges are levied to ensure an economic return on the haulage of short distance traffic in view of the long period of wagon occupation in relation to service performed. Since the new rate structure is considerably higher, we feel, that there is no justification for the retention of both types of charges. We quite appreciate that on the haulage of short distance traffic, railways have to be assured of an economic return and, therefore, we suggest that the railways can charge either the one or the other but not both".

We support the views of the Association. It has been observed that the charges for short distance traffic by rail is always higher than the corresponding charges by vehicular traffic on road (para 8 of the above letter of Indian Salt Manufacturers' Association gives some example). It may be considered whether the Rail freight for this category of traffic can be reduced economically.

(iii). No comments.

Q: 6. No change is recommended.

Q: 7. Please refer to the last part of the reply against 5 (ii). We have no comments otherwise.

Q: 8. Not concerned.

Q: 9 & 10. At present under the general classification of the commodities for the purpose of charging rates, "salt" is classified as Class II commodity There is no discrimination for salt used for edible purposes or in the industries using it as basic raw material like the Chemical Industries or other industries using salt for processing like hides and skin. There seems to be a fair case to treat salt used for industrial purposes, on a par with coal, lime and gypsum This is in the interest of the development of industries and would give relief to the small scale and cottage producers engaged in such industry. It is to be noted that the incidence of cost of bags used as container is appreciably high and the industry needs some relief in freight charges. Booking of unbagged salt for industrial purposes (except for refining) should be allowed.

Q: 11. The salt traffic from the Government sources is offered only in wagon loads. So far either the Salt Department or the private Salt Manufacturers are not directly concerned with 'smalls' but in the interest of the consumers, the rate of salt for 'smalls' should also be kept at par with the rate of the wagon loads, if it is not already at par.

Q: 12 to 15. No comments.

Q: 16. The existing minimum W. condition is adequate for the booking of salt. For better utilisation of transportation capacity, we, however, support the view given under 16 (iii) of the questionnaire.

Q: 16-A. No special comments.

Q: 17. Train load rates are commended, if possible, only up to the break of gauge point in respect of salt bookings from M. G. source to B G. destination or *vice-versa*. As, however, train loads of salt are not required for any particular destination, this rate, if introduced, destination—wise will not benefit this Industry.

Q: 18. We have no objection to this suggestion.

Q: 19 & 20 Not concerned.

Q: 21 (a & b) In this connection our remarks against Q: 5 (ii) may please be seen. There is generally not an appreciable short distance traffic for salt clearances from the sources. In most cases, such traffic is carried on either by road or river. In the interest of road transport carriers, though it is felt that minimum quantities should be allowed rail traffic for a short distance, say up to 20 miles, the railway as a public carrier should not allow the same whether for short or long distance, as a matter of course. It is feared that if rail booking for such traffic is prohibited, in the absence of control on rates, on road or river carriers, such owners of alternative modes of transport would attempt to take undue advantage affecting consumers' interest adversely.

(c) The coastal shipping of salt applies

only to Calcutta market from West Coast (Saurashtra and Kutch), Tuticorin and Madras. There was not much salt traffic by rail from these sources to the consuming areas which are fed by the Calcutta market. In the recent years, long distance traffic for for a few lakh maunds of salt have been started The Railway freight for such traffic is generally cheaper than the freight by sea-cum-rail route *via* Calcutta. The present rates may continue.

Q: 22. Our remarks against 5 (ii) may please be seen.

Q: 23 & 25. Salt is a commodity which needs special consideration as its production is mostly localised near the sea and in Rajputana sources but it is consumed all over the country. The element of freight is of great importance. For example, the areas of Punjab, Pepsu, Himachal Pradesh, Jammu & Kashmir, Uttar Pradesh, N. Bihar, Assam, W. Bengal, Madhya Bharat, Madhya Pradesh, Hyderabad, etc. are non-salt producing areas and as such are dependent upon salt produced either at inland sources or on coastal regions. Experience has shown that the rationalisation of routes by eleminating long haulage, cross movement and transhipment is of vital importance and as such the principle of the zonal system, which has been developed and has worked satisfactorily should be continued. A large quantity (6 crores)-75-80% is handled by thousands of private manufacturers who sell direct. Out of this only 60% goes by rail. The system of freight pool will not be practicable in this industry.

Q: 24. Not concerned.

Q: 26. India has since attained self-sufficiency in salt and the emphasis has been shifted towards qualily. It is however suggested that freight for industrial salt may be reduced to further economic progress of the country. Salt used particulalry as a raw material for the heavy chemical industry may be taken into consideration for this reduction in freight.

Q: 27 to 33. Salt is the basic raw material for manufacture of certain heavy chemical industries *viz*, caustic soda and soda ash. The country is still deficient in these commodities and is importing large quantities from foreign countries. At present, there are only a few factories in the country which manufacture these commodities and these are away from the Salt Factories excepting in the case (Mithapur). The present total consumption of salt for such industry is about 50-60 lakh maunds. According to the Second Five Year Plan, the total requirements of salt for such industries is about 4 lakh tons or 110 lakh maunds. These indigenous industries are faced with the following handicaps:—

(1) Salt traffic is made in bags involving unnecessary heavy expenditure;

(2) The present freight rate is considered to be too heavy for these industries as the requirements of salt is 2 tons to manufacture 1 ton of either Caustic Soda or Soda Ash. The manufacturers of these industries have, therefore, been representing that salt traffic to such industries should be in bulk and that special station-to-station rate at the lowest rate should be allowed. Regarding bulk loading, the Railway Board has already been approached *vide* this office Office Memorandum Nos. 3 (31)-D/55/257 dated the 20th July, 1955 and they have since rejected the request vide their Office Memorandum No 6082-TC-I dated the 7th February 1956.

As regards concessional Railway freight rates for movement of salt to chemical factories, the Salt Advisory Committee in their meeting held on the 10th December, 1954, resolved as follows:—

"Shri. Vakil after quoting the figures of the freight rates charged on salt and also the classification lately given to it from the point of view of the railway priorities opined that salt being the raw material for the manufacture of several items in the various industries, its classification per wagon load should be the same as for the raw materials like coal, pig-iron, lime-stone etc. Salt used by the chemical industry be considered as raw material and the concessional rates should be granted for the same. He cited the examples of the Mettur Chemical Industries and Rohtas Industries and pointed out that they were now to pay about three times more than before. He requested that the Railway Board should be approached to grant necessary concession.

The Salt Commissioner stated that he had already approached the Railway Board several times and had even personal discussions at higher level The Board has not agreed to any such concessions so far. However, he would approach the Railway Board again and do whatever was possible.

The chairman indicated that they all sympathised with them and promised that the Salt Department would use its good offices to try for the required concession".

An extract from letter No. 20-F/4155 dated the 22nd June, 1955, from the Indian Chemical Manufacturers' Association is enclosed. It is strongly recommended that concessional Railway Station (Salt Source) to station (Chemical factory) freight at the lowest possible rate should be fixed for salt used as basic raw material for heavy chemical industries like Caustic Soda, Soda Ash, Hydrochloric Acid etc. As regards the question of salt industry itself and Sambhar is concerned, station-to-station rates on the same basis on which these were prevalent before the revision of the freight structure in 1948 are essential and should be reintroduced for all the destinations to which salt from the 3 loading stations in the lake of Sambhar is booked irrespective of any consideration instead of allowing the present anomalous position in which 2/3rd of the total traffic is moved on special rates and 1/3rd on ordinary traffic rates.

As the production of salt is localised at the Lake sources and Pachbadra and Didwana, which are situated at a distance of 150 miles and 40 miles respectively from Sambhar Lake towards the West and the consumption of the produce rests with the Punjab, Pepsu and Himachal Pradesh, Uttar Pradesh and North Bihar States, *i.e.* the areas which are non-salt producing and also fed by Sambhar, a comparatively nearer source, it is of paramount importance that a considerable protection by way of quoting station-to-station rates so that in the consuming areas Sambhar, Pachbadra and Didwana salt should have the minimum freight difference consistent with the policy of no loss to the

railways. In fact, the huge earnings of freight from Sambhar salt should subsidise the Pachbadra and Didwana salt. It may be mentioned that the districts of Punjab and Pepsu etc. which are at present simultaneously linked with Sambhar Lake sources and Pachbadra are displaying a tendency of lifting their quotas from Sambhar Lake in preference to Pachbadra, where there is a heavy short indenting resulting in accumulation of salt stocks at Pachbadra.

The freight structure is as important to the salt industry as the cost of production of salt. The selling price of Sambhar salt is Re. 1/13/6 per maund whereas freight rate per maund to Stations like Pathankot, Gorakhpur etc. is more than Re. 1/-. There are no other modes of transport except Railway for the movement of salt. As such it is necessary that the freight structure should be utilised for the very existence of salt sources like Pachbadra which have the geographical disadvantage of being located at a great distance, from the consuming areas. In other words the freight structure should give protection to such sources otherwise conditions may arise when a total loss of revenue on account of freight for 15 lakh maunds the annual produce of Pachbadra salt, may be caused on account of non-marketing of the produce.

A distinction in freight is necessary to develop new salt industries such as the new salt industry at Phalodi (Northern Railway). The period should be determined with reference to the ability of the concern to market the produce. It should not however be directed towards maintenance of permanent crutches of the inefficient units and at the cost of efficient old units.

Q: 34. As salt enters into the consumption of the entire population it offers a good source of revenue to accelerate the pace of construction of new line in the under-developed areas.

Q: 35. (1) Station-to-station (Special) rates would be the most appropriate freight policy.

(2) Salt needs special consideration as this is a basic necessity of the masses. As the Government took the bold decision of the abolition of excise duty (Rs 1-9-0 per maund), it is necessary that the freight structure should give it a place in the group of Class I commodities. Social welfare rather than the revenue motive should be the main objective—the maximum goods for the maximum number.

Q: 36—40. No comments.

Q: 41. The present export market of Indian salt is mainly from Saurashtra and Kutch, which is only 7·8% of the total production of the country. Excepting in one or two cases, rail traffic is not necessary for transport of salt from the factory to the foreshore for such export. So the question of adjusting Railway freight rates does not arise.

Q: 42. Since 1949, salt traffic by rail in the country is in accordance with the zonal scheme prepared by Salt Commissioner and approved by the Railway Board. The Scheme at present provides preferential traffic within the zone and placed under category 'C' of the General Order issued by that Railway Board every six months under Section 27-A of the Railways Act, 1890, since 1950-51, import of salt from foreign countries including Pakistan has been suspended. This has increased the quantum of Railway traffic from all indigenous salt sources like Kharaghoda, Bombay, Madras, Dhrangadra, Orissa etc excepting Calcutta and Sambhar. Rail traffic from Calcutta has been reduced owing to transfer of quota to other indigenous sources after the suspension of import of salt from foreign countries into Calcutta. As regards Sambhar, the shortfall in the quantum is on account of low stocks of salt at Sambhar as a result of shortfall in production for the last four years in succession from 1952.

Q: 43. Freight rates structure adopted in 1948 seems to have enlarged the sphere of influence over distant markets. There has not been any marked change in the case of salt industry.

Q: 44 (a, b, & c). Salt is supplied to the consuming areas both from Government and private factories. As regards supplies from Government factories, the prices are quoted F. O. R. forwarding station. As regards supplies from private sector, the F. O. R. prices are generally quoted despatching station inclusive of the prices of gunny bags.

For instance, salt produced at Sambhar Lake is hauled at an average distance of 465 miles and the proportion of the Railway freight bears to the selling price at the following station is 1 : 1

Again, as regards supply from Dhrangadhra private source, the F. O. R. Prices of salt at the forwarding station (the cost of salt inclusive of cost of gunny bags for packing, Government cess, royalty and ground rent) is about Rs. 1 2/6 per maund and the maximum distance to which it is supplied is on an average about 1,000 miles (for supply to Nepal—yearly quota 6-7 lakh maunds). The average Railway freight is slightly higher than the F. O. R. price of salt at the forwarding station *i.e.* Rs. 1/2/6 (F.O.R. price): Rs. 1/5/- (The railway freight.)

(d) The question of proportion does not arise as all salt prices from the sources are quoted generally F. O. R. forwarding station.

Q: No. 45-47. Not concerned.

Q: 48-53. The country has already attained self-sufficiency in Salt and there is now surplus production in the private sector. If the Indian salt cannot build export markets in the foreign countries and unless heavy chemical industries like Caustic Soda, Soda Ash etc. develop, there is no chance of further increase in the transport by rail than from the quota at present fixed under the Zonal Scheme.

It is felt that even if further new railway lines are constructed in different parts of the country, this is not likely to increase the consumption of salt in the country appreciably in the Second Five Year Plan as there is a limit of requirement of salt for human consumption. If, however, industries requiring salt as raw material develop, there may be corresponding increase in the requirements of wagons for transprrt of such salt. Keeping this in view, the requirement of wagons as shown in the note referred to above has been made.

Q: 54 & 55. Salt is mostly required for human consumption in India, partly for heavy chemical industries and to a smaller degree for agricultural use as manure and for cattle feed and small industrial concerns like hide and skin industry, fish curing, ice factories, soap industry etc. At the place of manufacture its cost is low (average cost is about Re. 0-5-0 per Md.) The packing charges are almost equal to the cost of production. Being bulky, its handling etc., is costly. So, in order to deliver salt to the consumers at the cheapest possible price for the freight purposes, salt should be placed in the lowest category applicable *i e.*, freight structure applicable to 'agricultural produce'.

It has sometimes been noticed that the Railways charge demurrage for salt as usual as in the case of other commodities. Such charges are prohibitive on such cheaper commodity as salt. Sometimes it has been seen that within 10-15 days of the arrival of the consignments, demurrage exceeds the cost of salt. It is, therefore, suggested that the question of rate of demurrage in case of salt may be kept in view. It should be reduced to the minimum possible so that the consumers are not required to pay the penalty for this cheap commodity which is an essential requirement.

PART I-B

ANNEXURE V—Industries.

Q: 1. Sea of sub-terranean brine only is required for the manufacture of salt. It is manufactured in India by Solar evaporation, and as such no other raw material is required.

Q: 2. The total production of salt in India during:

1938-39 Not available (un-divided India.)
1947-48 54·8 Million maunds.
1952-53 78·4 million maunds.
1953-54 82·8 Million maunds.
1954-55 77·3 Million maunds.

Q: 3. No change in the distance of haulage as in the salt zonal scheme introduced since 1949 practically the same markets are allotted to each salt source year to year.

Q: 4. No raw materials are used in the manufacture of salt. The average longest and shortest distance for haul in respect of salt despatches is as under:—

Shortest ... 12 miles
Longest ... 1,000 miles to 1,200 miles

Normally, according to the Zonal Scheme, steps are taken to keep the longest distance upto 750 miles as indicated by the Salt Experts' Committee.

Q: 5. No raw materials are required for salt manufacture.

Q: 6. Rail is the main transport of movement of salt to the consuming areas from the sources. Negligible quantities move by road and river. Considerable quantities of salt, however, move by sea-going vessels to Calcutta from Saurashtra, Kutch and Tuticorin maritime sources but ultimately from Calcutta major portion of this salt moves by rail. Of about 744 lakh maunds of salt distributed from various salt sources in the country during 1955 about 464 lakh maunds or 62% moved by rail and the rest by other means of transport.

Q: 7 (a). Not concerned as no raw material is used in salt manufacture.

(b) The prices of salt vary from centre to centre both at the producing as well as in the consuming areas.

Information in regard to some of the centres are as follows:—

At producing Centres (F.O.R. price per maund), at loading stn. (exclusive of price of bag.)				At consuming areas (wholesale price per maund)			
Salt source	38—39 †	47—48 ‡	54—55 *	Name of the State	38—39	47—48	54—55
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Rs. a. p.	Rs. a. p.	Rs. a. p.		Rs. a. p.	Rs. a. p.	Rs. a. p.
Sambhar ...	1 13 3	0 9 9	0 15 0	Rajasthan ...	N.A.	N.A.	1 10 0 to 2 15 0
Pachbadra ...	...	0 9 6	0 15 3	Bihar ...	N.A.	2 12 0 to 8 0 0	2 10 0 to 5 8 0
Didwana ...	...	0 8 0	0 11 6	Assam ...	N.A.	5 0 0 to 9 0 0	3 7 0 to 7 0 0
Bombay ...	N.A.	N.A.	0 8 0 to 1 4 0	Bombay ...	2 5 9	1 1 0 to 5 10 0	1 1 0 to 4 3 0
Kharaghoda ...	...	0 10 0	0 14 0	M. Pradesh ...	N.A.	2 2 0 to 6 2 0	2 1 0 to 5 0 0
Dhrangadhra	N.A.	N.A.	0 13 6 to 1 1 0	Saurashtra ...	N.A.	N.A.	0 12 0 to 3 8 0
Madras ...	N.A.	N.A.	0 3 6 to 0 12 0	Madras ...	2 3 8	1 6 0 to 4 4 0	0 12 0 to 2 12 0
Calcutta ...	N.A.	N.A.	2 10 0 to 4 8 0	W. Bengal ...	2 2 6	2 11 0 to 7 0 0	2 1 0 to 5 1 0

At producing Centres (F.O.R price per maund) at loading stn. exclusive of price of bag.)				At consuming areas (wholesale price per maund.)			
			Rs. a. p.			Rs. a. p.	Rs. a. p.
Orissa ...	N.A.	N.A.	0 14 0	Orissa ...	N.A.	1 9 0 to 6 0 0	1 2 0 to 5 0 0
Saurashtra sea salt ...	N.A.	N.A.	0 6 0 to 0 12 0	Punjab ...	N.A.	2 4 0 to 7 0 0	2 0 0 to 3 8 0
				U.P. ...	N.A.	1 13 0 to 5 13 0	2 6 6 to 4 2 0
				Delhi ...	2 7 0	N.A.	2 8 0

N.A. : Not Available.
† : including duty at Rs. 1-9-0.
‡ : including Cess at Re. 0-3-6 in case of Government works and 0-2-0 in case of private works.
* : including Cess at Re. 0-3-6 in case of Government works and 0-2-0 in case of private works.

Q: 8. Salt being one of the most important items of daily necessity of human being, is transported by rail to various and numerous destinations all over the country. It is, therefore, an enormous task to classify each station according to the table of distances specified in the question and to ascertain the figures of total despatches under each distance leg. However, as far as practicable, some idea is given below from some of the salt producing centres:—

Average distance miles.	Quantity of finished products despatched by rail from :—				
	Sambhar (wagons @ 295 mds. per wagon.)	Dhrangadhra zone, (,000 mds.)	Bombay Region. (,000 mds.)	Calcutta	(.000 mds)
1. 1–50 miles	56	†866 62	172	W. Bengal (60–450 miles)	1,762
2. 51–100 miles	70	111	1,016	S. Bihar (160–500 miles)	3,231
3. 101–200 miles	400	...	572	N. Bihar, (300 to 600 miles)	1,070
4. 201–300 miles	170	...	2,823	Nepal do.	224
5. 301–400 miles	320	301	566	Manipur (1000 miles)	16
6. 401–500 miles	190	25	792	Sikkim (500 miles)	7
7. 501–600 miles	280	201	1,756	Assam (450 to 900 miles)	150
8. 601–700 miles	150	1,794	2,690		
9. 701–800 miles	230	171	7,522		
10 801–900 miles	120	22	164		
11. 901–1000 miles	30	...	502		
12. 1001–1200 miles	Nil	1,039	1,844		
13. 1201–1500 miles &	Nil	Nil	1,587		
14. beyond 1500 miles	Nil	Nil	Nil		

† 1–12 miles for Dhrangadhra Chemical Works.
N.B. Figures for Madras Region not available.

PART II

Q: 1 (a & b) Salt is generally booked at Railway risk. In the Bombay region, however, the practice varies from loading stations to loading stations viz., whilst salt consignments at Bhandup, Thana, Chandnibander, Ghatkopar and Wadala and at other Railway Stations on the Western Railway except Bhayandar and Mira Road are booked at Railway risk, those booked, Bhayandar and Mira and from Kuda loading stations in the Dhrangadhra Circle are sent by the despatching parties at owner's risk. It is however, not known the extent to which salt is booked at owner's or Railway risk rates. It is reported that salt consignments from stations on the Southern Railway are booked at owner's risk. At most other places these are booked under 'Railway risk'.

Salt consignments all over the country should be booked uniformly at 'Railway Risk' and that movements should be in covered wagons only.

(c) It is understood that after the war

the owners especially in the Calcutta area are required to make their own arrangements for loading the salt bags. If that be so, it should be stopped, and the Railways should take the entire responsibility of loading and unloading from the wagons within the station premises.

Q: 2 (a, b, c) & 3. The traders do not resort to private insurance even when the salt consignments are booked at owner's risk. During the pre-war period salt consignments used to be despatched at the Railway Risk rate only. The traders never got their salt consignments insured as they considered booking at Railway's risk preferable.

Q: 4 to 6. The system of payment of compensation by Railways is not at all uniform. Whilst the Central Railway is reported to be paying compensation on account of thefts and pilferages, misdespatch, deterioration due to delay in transit, fall in prices, damage to consignments due to rough shunting and rough handling and leakage and damages due to wet condition, no compensation is reported to be paid by the Western Railway for thefts and pilferage etc. except in the case of misdespatch. At Dhrangadhra the Western Railway is not reported to be paying any compensation for any of the contingencies mentioned in item 5 (a). This disparity in the treatment of salt consignments on the different Railways is hardly desirable and as such it is suggested that there should be uniform practice for paying compensation by the railways. The Railways are supplying open wagons without any tarpaulins to cover them with the result that many cases of theft, pilferages, short supply due to untimely rains have been reported but no compensation has so far been paid by the Railways. As the compensation is claimed by the consignees themselves from the railways, no figures are available in the Salt Department.

Q: 7 (a and b). No appreciable benefit for salt.

Q: 8. Not concerned.

Q: 9. No comments.

Q: 10. It has already been suggested that 'Railway risk' booking should be introduced uniformly at all the stations. Besides, it is very necessary that the Railway should maintain warehouses at the salt loading centres for storage of goods (salt) prior to despatch as wagons are not supplied regularly and the consignments are stacked in open area with the result that they are damaged due to exposure and unseasonal rains.

Q: 11, 12 and 13. No further comments.

Q: 14. Not concerned.

Q: 15 and 16. At present, salt is despatched in gunnies and the packing conditions seem to be satisfactory. It may, however, be stated here that for the chemical manufacturing firms, which utilise salt as basic raw material, the use of gunnies considerably adds to the price of salt and increases the cost of the finished product unnecessarily. They are also required to transport empty bags from their factories to the salt works, which further adds to the cost of the finished products. In order, therefore, to further the cause of industrial development in the country, the Railways should allow bulk movement of salt to chemical factories in covered wagons. This point was also emphasised in our reply to Q: 27—33 of the questionnaire (Part I-A and B) issued by the Railway Freight Structure Committee.

Q: 17 (a & b). The Railway should provide warehouse facilities at all loading stations as the consignments lying in the Railway premises and awaiting despatch are often damaged by rains or pilfered. The traders demand that the Railway should construct godown for the safe storage of salt consignments at the loading stations before they are accepted for booking. The supply of the wagons by the railways is freakish and as such the storage of salt consignments under a roof is a vital necessity. More so, because salt is deliquescent and thus absorbs moisture under humidity conditions.

Q: 18 (a & b) Railway should take responsibility till delivery.

Q: 19. Watch and Ward Staff of the Railway should be strengthened at all despatching, transhipment and destination stations.

Q: 20 & 21. No comments as no information in this regard is available in the Salt Department.

PART III

Q: 1 (a) No comments.

(b) The suggestion is favoured.

(c) No comments.

Q: 2 to 5. No comments.

Q: 6. (a) Yes.

(b) Rate should be reduced to such a level that it may be within the competence of the general financial capacity.

Q: 7 & 8. No comments.

Q: 9. The number of the members should be increased. Preferably there should be Regional Tribunals.

Q: 10 (a & b) A High Court Judge in each Regional Tribunal is desirable.

Q: 11 & 12. No comments.

Ministry of Works, Housing & Supply,

(National Buildings Organisation)

New Delhi.

PART I-A

Q: 16. (A) We are of the opinion that the minimum weight conditions should be applied with due regard to the density of the material, for example reinforced concrete and heavy materials may have a minimum weight higher than the corresponding minimum weight for bran, hydrated lime, mineral wool and light weight products.

Q: 23. We advocate a freight pool being formed in regard to a limited number of commodities for example coal is an article essentially required for building industry in brick making. This commodity is needed in different parts of the country essentially and this has to bear a proportionately high freight charge due to its transport over long distances. A freight pool to keep uniform freight rates for this commodity is therefore recommended. In particular we would support freight pool for coal, iron and steel, cement, raw gypsum and gypsum products, limestone and hydrated lime.

Q: 26. One of the main bottlenecks in the present building industry is non-availability of building materials often due to difficulties in transport. Though housing has got comparatively lower priority even in the 2nd Five Year Plan, some preliminary thought has to be given even at this stage to the necessity for reaching the essential building materials into the various parts of the country. This will involve reconsideration or modification of the present freight structure in so far as the building materials are concerned. The matter is engaging the attention of the National Buildings Organisation and as soon as some concrete proposals can be evolved, it will be transmitted to the proper authority through the Ministry of Works, Housing and Supply.

Q: 32. To take one example of building material that requires assistance from the railway freight structure; hydrated lime which we contemplate to produce in this country will be much lighter in weight than limestone. It will, therefore, require special treatment in its growing stage by means of concessions in railway freight. Gypsum and gypsum products are other examples.

Q: 33. A distinction between the requirements of the industry already established and those newly planned is recommended specially with a view to development of new industries in the building materials field.

Q: 37. To solve the problem of rural housing, building materials will have to be developed on the basis of cottage and village industries.

Certain modification of freight rates and packing conditions and special grouping of commodities for the purpose of rating for haulage to short distances between villages will be helpful.

Ministry of Irrigation & Power,

(Damodar Valley Project.)

New Delhi.

PART I-A

Q: 19. In this connection we would like to point out that for loading crane consignments, the Railway administration is not accepting any liability of providing crane at destination for the unloading of consignments. The result has been that on the arrival of such consignments at destination, consignees have to pay heavy charges for detention of wagons till the arrival of railway crane. In our view, it should be the Railways to provide crane at the destination when asked for and the crane should be placed simultaneously along with wagon. If necessary, the Railways may include extra charge in the freight for providing crane.

PART II.

Q: 6. In regard to compensation claims of DVC rejected by the Railway the principal commodities generally involved are steel materials sent in open wagons and cement sent in closed wagons although both are booked at R.R. rate. The approximate value of the claim preferred in respect of each by DVC from 1952-55 are as follows;—

	Claims lodged.	Claims rejected	Percentage.
	Rs.	Rs.	
Steel materials	19002/-	12040/-	63%
Cement	39600/-	16800/-	40%

Q: 8. For the sake of simplicity, the Railway should accept goods at one rate only *i.e.*, R.R. rate. The O.R. rate may be abolished. The consignors, however, should have the benefit of a reduction in freight rate if and when the Railways wish to limit their liability by entering into special contracts, under certain circumstances with the consignors.

Q: 12. We agree with this view. Under the present rules, the consignors do not get

the benefit in respect of certain commodities even when goods are charged at R.R. rate (there being no alternative rate). At the same time, the Railways are relieved of a portion of their risk by virtue of Section 74-A of the Railway Act or when goods are loaded in wagons from a private siding when qualified railway receipts are granted. A reduction of 10% in rate is suggested in such cases and in consideration of this lower rate Railway Administration may be relieved of a portion of their risk in respect of normal losses deemed to have arisen from the condition in which goods were tendered for carriage but not for abnormal losses i e., entire non-delivery or loss due to negligence etc.

Q: 15. The present packing conditions laid down in the Railway Tariff are of high standard and any further tightening in this respect would mean hardship to the trade.

Q: 16. Packing conditions as laid down in the Tariff Rules should not be made compulsory but in cases of violation, commodities could be accepted for carriage by entering into special contracts to limit the carriers' liability. In such circumstances a reduction in rate should be allowed as suggested in Q. 12. This is not the practice at present and whereas the higher freight may be collected by railways, all risks for loss are not covered. Claims are repudiated on the ground that the packing conditions were not fulfilled, and rule 31 (3) Goods Tariff No. 29 is quoted.

Q: 18. It has been observed that a good percentage of claims for loss booked at R.R. rate were repudiated on the grounds of S/C R/Rs, defective packing conditions, or running train thefts. Therefore, even in the case of R.R. rate, the railways could avoid liability on the ground that they are bailees and there was no negligence on their part. We are therefore not in favour of the continuance of this provision and the liability of the Railways should be that of a common carrier. Provision may however be made to limit their liability in special circumstances *i.e.*, where packing conditions were not fulfilled, etc., by entering into special contracts with consignors. Sec. 7 of the Common Carrier Act 1865 would also need to be suitably amended.

A bulk of claims for compensation arises directly and indirectly from yard theft and pilferage and therefore if higher freight rate is contemplated the public should be afforded greater benefit in case of loss in transit. Steps should be taken by the Railway Administration for arrangement of necessary railway staff at their cost and provide facilities to the public in order that clear railway receipts are granted in respect of packages and bundles, capable of being counted, in all cases whether loaded in wagon loads from stations or sidings termed private.

Chief Engineer, Hirakud Dam Project, New Delhi.

PART II.

Q: 1. (a) All the materials for the project are required to be booked at Railway Risk.

(b) The Project prefers to book all commodities at Railway risk.

(c) No comments.

Q: 2. (a) Delicate and fragile materials are preferred to be insured.

(b) For damage in transit at usually about 1½% of the cost.

Q: 3. (a) The payment on claims during the 1950-55 period relating to this project has been very meagre.

Q: 4. (a) Against sub-item (v and vi) the quantum of payment made to the project may be about 5%.

(b & c)

	1955	1954	1953
Total claim lodged	11685 cases	18619	29019
Pending	10966 ,,	5095	4200
Payment so far made	719 ,,	5106	5237
Claim rejected	Nil	7418	19562

Q: 6 Generally the principal commodities relating to the project are cement and spare parts.

Q: 8. For all commodities required on the project we prefer at Railway Risk whether in smalls or wagonloads.

Q: 13. The Project prefers for all such commodities only Railway Risk.

Q: 14. The present practice should continue.

Q: 15. For the purpose of this project no extension of compulsory packing condition for more commodities is required.

Q: 18. (a) The railway should take full responsibility.

(b) Yes. Full responsibility.

Q: 19. Reinforcement of the Watch & Ward.

Q. 20. Nil.

Q: 21. The response to the claims made has been poor.

Ministry of Natural Resources & Scientific Research,

New Delhi.

GENERAL

The Department of geological survey of India only is concerned in so far as Railway Freight Structure affects the cost structures of the various mining industries, not only with reference to the pricing of their products, but also with reference to the costs incurred by mining concerns in bringing capital equipment to mining sites. It has also to be considered whether there are any reasons to believe that the existing structure has any inhibiting effect on fresh mining development. This department can offer comments on the questionnaire only after a thorough study of the manner and direction in which the existing freight structure has affected the mining industries. Such a study does not fall within the purveiw of this department. Generally speaking, it is desirable that the Railway freight structure should be so designed as not to unduly inflate the costs of the mining concerns, especially in view of strong emphasis laid on industrialisation in the Second Five Year Plan. On this consideration, a freight pool (items 23, 24, 25 of the questionnaire), if it helps reduce cost, may encourage mining development. The proposal contained in item 34 may be acceptable as this is likely to facilitate the exploitation of minerals deposits located in hitherto inaccessible regions, provided that the working of such deposits materially contributes to industrial development. There is much to be said for a flexible adjustment of railway freight rates for exportable minerals (item 41) as foreign exchange earned by mineral exports may have a not inconsiderable bearing upon the financial resources of the Second Five Year Plan.

A statement showing the total production of coal for the years 1938, 1939, 1947, 1948, 1952, 1953, 1954 is also furnished below:

Output of Coal

Year	Total Production
1938	28,342,906 tons
1939	27,769,112 ,,
1947	30,144,505 ,,
1948	30,124,175 ,,
1952	36,303,589 ,,
1953	35,980,408 ,,
1954	36,880,810 ,,

(*Views and information from the Indian Bureau of Mines*)

PART I—A

Q: 9. We have no objection to the method of classification of goods having regard to the characteristics of the commodities concerned in relation to their transportation conditions and their prices.

Q: 23 & 25. We fully support the idea of forming a freight pool in regard to a limited number of commodities as to keep the freight rates fairly uniform irrespective of distance. Besides, the commodities for which the freight pool has been suggested, we would like to include such important minerals as iron ore, manganese, mica, bauxite and china-clay in the freight pool. It is considered that the freight pool may be worked by a committee consisting of representatives from the appropriateGovernment agency as well as the industry and trade.

Q: 28. The Bureau of Mines have been receiving representations requesting for reduction of freight rates of certain minerals particularly bauxite and iron ore. The main plea given by the industry was that the transportation charges per ton are very often higher than the difference between the ruling F.O.R. and F.O.B. prices. Such representations have from time to time been forwarded through proper channel to the Railway Board for consideration.

Q: 30. It is considered that with a view to foster the development of new industries and to assist export trade, the revival of station to station rates on a large scale would he beneficial. Due consideration to the mineral industry in this regard is advocated.

Q. 31 to 33 & 41. It appears necessary that the considerations of economics of transportation and needs of railway finance may be waived to some extent in special cases. The objectives in such cases may be, for example, development of new industries or giving relief to the existing industries which may happen to be in a slump at a particular period due to some external factors. The manganese and the mica mining industries of India may be quoted as examples. These industries mainly depend on export possibilities of earning valuable foreign exchange. It would therefore be worth while to make a distinction in these cases for a period till sufficient internal demand is created.

For the same reason special considerations may be shown for development of minerals in under-developed areas, such as Rajasthan and Southern India, which have little possibilities of utilising their own

mineral raw material in local industries, because of acute fuel shortage and the minerals have necessarily to be transported over long distances and other parts of the country or to ports for the purposes of exports.

Q: 44. We have no adequate statistical data to answer all the points raised in question No. 44. But generally the prices of minerals meant mostly for internal consumption are quoted as F.O.R, while for these minerals which take an active part in the export market, the prices are quoted both as F.O.R. and F.O B. In the case of latter it is sometimes noticed that the difference between the selling prices at the points of despatch and at ports is lesser than the actual freight charged.

Q: 54. The extent of development in the mineral sector during the second plan period can be judged from the following figures:

Name of item	Unit	Actuals		Provisional Estimates		
		1950—51	1953—54	1955—56	1960—61	Percentage increase
1. Coal	m. tons	32	36	37	60.0	62
2. Steel	m. tons	1.1	1.1	1.3	5.0	285
3. Iron Ore	m. tons	3	4	4	13	225
4. Aluminium	th. tons	3·7	3.8	/ 5	40	700
5. Manganese Ore ...	m. tons	1	2	2	3.5	75
6. Cement	m. tons	2·7	4.0	4·6	10·0	108

The following basic principles may be followed in framing the railway freight structure in respect of minerals.

(a) In most cases mineral raw materials are cheap and bulky so that the freight charges often fall unduly heavily on them.

(b) The industries using minerals are scattered over large distances. The supply of raw materials to the consuming industries should not be allowed to become prohibitively costly and as such the freight structure in this respect is to be carefully designed.

(c) Consideration of the grades of minerals may be kept in mind while devising the freight rates. The highest grades of minerals being costlier than the low grades have a capacity of bearing higher freights also.

(d) Exports of minerals like iron ore, bauxite, and manganese ore, which are not likely to be entirely consumed by indigenous manufacturing industries, may be encouraged by concessional freight rate.

PART I-B.

PRODUCTION OF IMPORTANT MINERALS IN INDIA.

	Mica (Cwts.)	Manganese (Tons)	Iron Ore (Tons)	Bauxite (Tons)	Chromite (Tons)
1938 ...	160,144	983,416	27,43,675	14,768	44,149
1939 ...	154,685	844,663	31,66,074	8,977	49,139
1947 ...	192,671	451,034	24,98,459	18,537	34,717
1948 ...	361,875	525,876	22,84,587	22,156	22,555
1952 ...	307,402	1,462,264	39,25,511	63,505	35,187
1953 ...	245,400	1,902,238	38,54,850	70,848	64,770
1954 ...	111,733	1,375,102	42,35,826	74,747	45,838

Note (i) Figures exclude Burma production after the year 1938.
(ii) Figures for the years from 1947 to 1954 relate to divided India.
(iii) The figures for the year 1954 are provisional.


सत्यमेव जयते

SECTION VII

Replies from the State Governments and Local Bodies

to

the Questionnaires issued by the

Railway Freight Structure Enquiry Committee.


सत्यमेव जयते

ANDHRA

Government of Andhra,

Kurnool.

PART I-A.

Q : 1. (a) Traders are of the opinion that the controls of Agricultural Commodities and their movement from 1940 to 1950 overshowed the importance of the revised Railway goods freight structure in 1948 to such an extent that it is not possible for them to assess the benefits or otherwise of this measure in particular.

(b) Traders in Agricultural commodities believe that the Telescopic rates are not beneficial to them, where prior to 1948 special station-to-station rate was given and for 'smalls' between 150 to 300 miles.

(c) "Comparatively more traffic is moving by road now than by rail This is attributed by traders to the paucity of wagon supply and to temporary traffic restrictions due to congestion and scope of evasion of sales tax offered by road transport than to any adverse effect of the revised freight charge on 'short haul' or 'medium haul' except and to the extent indicated in (b) above.

Q: 2. (a) So far as cement, steel, coal bitumen and oils, broadly speaking are concerned, whatever be the rating arrangements for transit by rail, the freight charges are always debited to the consumer (i. e., the Highways Department) and the legitimate needs of the industries are not affected by the rating arrangements.

(b) No remarks to offer.

Q: 3. (i) No. Livestock products like ghee may be treated on a par with 'seeds common' for the purpose of freight.

(ii) (a) It is suggested for wagon load rates of the classes WL/D, WL/F and WL/H be revised preferably as 75 miles 1st leg, 75 to 200/2nd leg and 201 and above 3rd leg for agricultural commodities, ghee and agricultural implements, instead of the present legs. This concession is expected to make up the loss in total receipts, due to increased volume of movement.

(ii) (b) The existing rates per leg may be continued.

Q: 4. Maximum rates facility may be extended to goods of WL/F, WL/H classes, manures and livestock products like ghee.

Q: 5. (i) Terminal Charge: As the owner will not be able to arrange loading and unloading at cheaper rates, this may be continued as at present.

(ii) Short distance charge (for less than 75 miles): The existing practice and rates may be continued as it is reasonable.

(iii) Transhipment charges for break of gauge: The existing rates may be continued.

Q : 6. The present unit of rate per mile may be continued since no difficulty is experienced out of it.

Q : 7. There is no need to alter the exising minimum distance charge for 20 miles and any increase here, will be to the advantage of road transport, without benefitting either the Railway or the consignor.

Q : 8. Charging of haulage of empty tank wagons may be abolished, if it is not detrimental to operational cost.

Q : 9. The present classification may be continued and livestock products like 'Ghee' may be clubbed, if possible with "seeds common" for the purpose of freight.

Q : 10. The present classification of parts of handlooms under item 'machinery' and 'Yarn' and handloom cloth under item No.9 needs revision. The handloom and hand loom parts are quite different from those of mill-looms and it is not proper to class them under machinery. Most of the loom parts are made of wood. They are mostly transported in small quantities by weavers who belong to an economically weaker section of the community. As handloom industry occupies a very important place only next to agriculture in providing work to workers, the transport of the implements required for the industry may be treated on a par with agricultural products. At present, rice is classified as item No. 1 making it eligible for minimum transport charge. Similar concession may be given to loom parts and handloom cloth by classifying them under Class I. For the purpose of priority, traffic has been classified under the following five categories.

A Priority given to Government Traffic.

B Priority given to Railway Traffic.

C Priority given to Private Traffic sponsored by State.

D Priority given to Private Traffic.

E Priority given to all other Traffic.

Traffic covered by co-operatives is considered as private and given 'D' priority. In the light of the recommendation of the Rural Credit Survey Committee, there will be increasing active State partnership in co-operative concerns at all levels Government participation in shares of societies is expected to be to the extent of 51% of agricultural credit and marketing including processing of agricultural produce. With this end in veiw, schemes for providing production and marketing credit through co-operatives, and facilities for storage, warehousing and processing of agricultural produce, have been drawn for the Second FiveYear Plan. The schemes envisage an unprecedented expansion of the co-operative movement with State participation in share

capital of societies at all levels, a complete reorientation in the structure and policies of co-operatives, affecting the economic life of the community, tending gradually to a socialistic pattern of life. The total state contribution of share capital to co-operative societies at different levels during the Second Plan Period and other forms of assistance by Government to co-operatives is detailed below :—

Contribution to share capital of credit and marketing societies at all levels :	Rs. ...	220 lakhs
Government loans and subsidies for construction of godowns :	Rs. ...	77 lakhs
Expenditure in the public sector on other co-operative schemes:	Rs....	742.56 lakhs

A successful and beneficial economy of the country side depends upon the increased agricultural production, and the prices which the produce fetches in competitive markets. Securing a better price for agricultural produce depends upon goods transport. For the successful working of the Second Five Year Plan in the Co-operative section, and for a quicker building of a socialistic pattern of society, and for safeguarding the interest of Government, it is necessary that co-operatives should be given preference in respect of transport. In recent years though co-operatives have been given liberal export quotas of agricultural commodities like chillies, and onions they could not fully utilise them as they have not been able to secure adequate wagon facilities to move the stocks from production centres to the ports in time. Further, co-operatives, unless they move the stocks quickly, equitable and timely distribution of essential commodities cannot be ensured.

The assistance rendered by Government in other directions will not be of any material use, unless a preferential treatment over private trade channels is given to the agricultural products moved by co-operative societies and in respect of the essential commodities required for agriculture. Therefore, the stocks moved by and to the co-operative should be given top priority and classified under 'A' class. The nature of priority to be given to the movement of agricultural products on behalf of the co-operative was considered at the recent conference held at Hyderabad from 27th to 29-11-1955 under the presidentship of the Union Minister for Agriculture and Food Production, and attended by representatives from the Central and State Governments and the Reserve Bank of India to discuss the implementation of the accelerated programme of development of marketing and co-operation and it was recommended by the conference that the priority should be either the same and/or next to that on behalf of Government. The following is the relevant portion of the proceedings.

> "As shortage of rail transport forms an important bottle-neck in the movement of agricultural commodities and causes wide disparities in prices, it is essential that movement of agricultural produce on behalf of the co-operatives when certified by the Registrar of Co-operative Societies or by any officer duly authorised by him should be accorded a higher priority than that on behalf of private agencies. This priority should be the same and/or next to that on behalf of the Government."

The next point is the nature of classification of goods of co-operatives with reference to freight rates. Commodities have been classified into 15 classes for the purposes of charging freight rates under the present telescopic rates, the rates per maund increasing gradually from class to class *viz.* Rs. 3-3-0 to Rs. 10-9-0 per maund from 1st to 15th class. Considering the interests of the agriculturists and for the reasons already stated in support of priority classification for movement, it is necessary that all agricultural commodities are classified between Class I to Class III with reference to freight structure. Some of the agricultural commodities classified beyond class No. III are given below :—

Commodity	Class
Turmeric	4
Groundnut	5
Chillies	8
Betel leaves	9

These may be classified under classes I to III. It is also necessary to examine and bring some of the commodities now classified under classes 1 and 3 such as fruits into class No. 1, for instance Sugar and fruits classified under Class III may be classified under class No. 1. Similarly manures, which are classified under class 4 may be classified under No. 1. There are also anomalies in freight rates, an instance being fresh fruits which are moved at quarter parcel rate while vegetables are charged at half parcel rate; Vegetables are generally consumed by a larger section of the population and are cheaper in price as compared to fruits. They should, therefore, be treated at par with fruits and be charged quarter parcel rate. All such anomalies should be examined and suitable steps taken to rectify such defects. Another instance is of limes which are classified under vegetables and charged higher rates : they may be classified under fruits.

Q : 11. The following suggestion may be taken up so far as Agricultural commodities and manures are concerned between the WL Rate for BG 500 and MG 300 on the one hand and the rate per maund on the other, one more stage may be introduced as BG 250 and MG 150 with the rate per maund being about the average for the respective gauges.

Q : 12. The existing minimum charge may be reduced to the extent possible for Agricultural commodities and that the minimum should vary with the class of commodities.

Q : 13. (a) This may be continued except for Agricultural commodities where it may be reduced by 25%.

(b) Yes. The minimum should vary with the class of commodities.

Q : 14. The minimum weight for 'smalls' consignment by gods train may be fixed at 20 seers.

Q : 15. The existing system may be continued.

Q : 16. (i & ii) No.

(iii). Quoting a reduction in the freight rates for quantities loaded beyond the 'W' condition will certainly encourage loading upto the fullest extent.

Q: 16 (A) (i). The effect of clubbing under the same minimum weight condition 'Bran' which has lower weight per unit (volume) than 'Reinforced concrete' for the same volume unit, is not fair to the Bran trade. Either they should be brought under different minimum weight conditions or a suitable relaxation in the rate should be given based on volume weight factor.

(ii). Except and to the extent indicated in (i) no further change seems to be necessary.

Q: 17. Train load rates will be beneficial to industrial concerns like the "Sindhris" where turn-over is closely linked up with large scale movement for timely supply to far flung consuming centres.

Q: 18. A reasonable extra charge may be levied on special express goods booking.

Q: 19. No remarks to offer.

Q: 20. The existing rates are fair provided the wagon supply is adequate without which the owner will not derive any benefit from it. Till recently daily about 2 wagon loads of cattle used to move from Nellore Railway Station to Tiruvottiyur. Of late due to paucity in the supply of wagons, though it is far costlier and inconvenient, they are being moved by lorries.

Q: 21. (a) The suggestion, if accepted in toto may increase the rates of other modes of transport. Prohibition of such traffic may not be advisable and the railways may discourage short distance traffic to the extent possible. Perhaps distances below 50 miles may be considered as short distance traffic.

(b) This may be done taking care that this will not give room to rise in the freight rates by other modes of transport unduly. An eye has to be kept upon the freight rates charged by the Road transport and canal transport system, and where the latter tend to rise, the railways should open their traffic as usual without restrictions.

(c) Yes, to some extent. Before enforcing this regulation it should be ensured that adequate coastal shipping facilities exist.

Q: 22. Upto about 100 miles the railway freight is cheaper slightly than lorries but the quickness and convenience in delivery is in favour of lorries. Between 101 to 300 miles rail goods transport is preferred being cheaper, and road transport is resorted to only where rail booking is restricted or if it happens to be a returning lorry.

Q: 23. It is suggested, that for commodities like chemical manures and salt which are essentially needed in different parts of the country, a freight pool may be created, excluding a minimum distance, say the 1st 100 miles from the producing centre from its operation, provided no distant place has price lower than the one nearer to the producing centre.

Q: 24. A uniform pool freight on raw jute brought to Calcutta the main consuming centre will assuredly stimulate production in far off centres, where due to the uneconomical nature of freight it has not been raised in large areas.

Q: 25. Railways being primarily interested in the operational costs and also having expert staff are the best agency to work the pool

Q: 26. Yes. The position may be reviewed after 2 years in the light of representations received from trade bodies to the questionnaire.

Q: 27. No cases were referred to the Railway Board by the Public Works and Transport Department for waival of short distance charges for large scale regular movements of industrial raw materials. The concession given to coal, may be extended to cement, steel and bitumen.

Q: 28. No information is available. It is understood that Nellore Rice merchants made a request for special rates from Nellore to Coimbatore, Madura etc. for rice, but their request was not acceded to.

Q: 29. No particular trade or industry seems to have been affected because of the operation of telescopic freight rates.

Q: 30. The suggestion may be considered to the extent feasible at any rate for agricultural commodities and Livestock products, as it existed prior to 1948.

Q: 31. Indian economy being pre-eminently agricultural, possible concession may be given to Agricultural commodities and Agriculturists' requirements the guiding principle being based on the tenet of large receipts over a larger volume of movement with a lower freight rate, rather than larger receipts with a comparatively lower volume of movement with a higher freight rate.

Q: 32. This may be done to the extent possible.

Q: 33. It is proposed to start six co operative sugar factories in the State besides the existing Sugar factory at Etikoppaka. The State Government is expected to take shares in the undertaking to the value of Rs. 100/- lakhs. The Factories are proposed to be started on a co-operative basis to enable the cane growers to get better prices for their cane. It is necessary that necessary facilities should be provided by the State for the establishment of such co-operative organisations. They require assistance of railway in the import of machinery from port to the place of erection and after they start crushing to market their sugar. There are organisations of small growers who propose to establish their own factory with State aid. They are different from capitalistic concerns. The profits in the business go to the actual growers. The following concessions may be granted to these co-operative industrial concerns say upto the end of Second Five Year Plan period, in the first instance.

Machinery and equipment required by Co-operative industrial concerns newly to be established as well as old, may be shown concessional rate in respect of freight structure.

Q: 34. This may be done to the extent possible.

Q: 35. The freight policy based on the following factors will be extremely helpful:

i. Elastic frame work reviewed and modified taking into consideration the rapidly changing conditions to make the rates more suitable once in 3 years, and

ii. Consulting trade bodies, industrial and other large scale users besides State Government.

Q: 36. No remarks to offer.

Q: 37. In the Second Five Year Plan, a sum of Rs. 20.88 lakhs is provided for the development of cottage industries on co-operative basis. It is proposed to give them subsidies and loans. The artisans engaged in these industries are generally poor and their organisations need State and other assistance for development and stabilisation. One of the main handicaps of the Societies has been the marketing of their production. They are not able to compete in the open market. At present the artisans are exploited by financiers and master workers to get to some extent the reduction of the price of their articles in the markets and thereby help in the disposal of their goods. State and Central Governments are giving liberal subsidies and other forms of assistance. The railway authorities too can help the development of these industries by extending freight concessions. Nominal freight rates may be charged in respect of the products of cottage industries irrespective of the distance, giving them top priority in the movement of their goods.

Q: 38. Since control or ceiling price is fixed by the Government after taking into consideration all the contributing factors including the Railway freight, no particular impact is felt by the trader, except to the extent, that his mobility of operation is no longer unrestrained which however, is not related to the normal principles of Railways".

Q: 39. No information is available.

Q: 40. An increase of 100% is expected by 1960-61 in the tonnage of goods to be handled by the Railways and to cope up with this additional demand, the Railways will have to expand the transport facilities (wagons, goods sheds etc.) considerably. The extra finance required may be met with by reducing the contribution to General revenues and development fund from the surplus revenues of the Railways. Railways may also levy enhanced rates on lines newly opened. This corresponds to betterment fund on irrigation projects.

Q: 41. More importance may be attached to the maintenance of stable rates irrespective of the varying export market prices with special concessional rates being given to the extent possible to keep up the quantum of movement undeterred.

Q: 42. In so far as the South is concerned, the prewar movement used to be more from the South to the North, while it is said to be the reverse in the post-war period. The quantum of movement is said to be increasing progressively. Since the abolition of zonal and other restrictions, Government control and Military necessity, the range of movement under free trade conditions has increased considerably.

Q: 43. (i) No remarks. (ii) After decontrol, the high prices prevailing in the consumer market till recently left a margin fair enough to the trader.

Q: 44. Prices quoted for Agricultural commodities are as a rule for F. O. R. forwarding stations only. So far as commodities with which the D. I. C. is concerned the prices are quoted F. O. R. destinations as well as F. O. R forwarding stations to the demands of the parties.

(a) Nil.

(b) Paddy (Range 100 to 400 miles) 0.6% S.P. Rice from Nellore. (Range 100 to 400 miles) 0.8% S.P. All sale prices (S.P.) F. O. R. Nellore.

(c) Occasionally.

(d) Not available.

Q: 45.

Commodity	Average distance hauled	Freight	Per cent of freight in S. P. per ton.
		Rs. a. p.	
S/Ammonia	165 miles	12-11-0	3.6%
Diesel Oil	Not available		
Seeds (Paddy)	Under 100 miles	9-10-0	3.4%

Q: 46. No remarks to offer.

Q: 47. Construction of godowns and warehousing facilities in all important mundi centres and central village through co-operatives is one of the recommendations made by the Rural Credit Survey Committee for the development of agricultural marketing. It is also proposed to construct godowns by the State and All India Warehousing Co-operatives. Much emphasis is now laid on warehousing in the schemes of marketing. In the interest of the small producer it is proposed to give storage facilities at the Co-operative societies where necessary and at important traffic centres. The railways may also consider the question of putting up temporary storage accommodation to shelter the produce received for booking till they are able to get wagons. It may not be practicable to show concession to small producers individually. Concessions requested for co-operative societies will help small growers. Therefore, if small growers are to be helped, top priority should be given to the agricultural produce handled by the co-operative as already indicated against Q: 10.

Q: 48. The nature and extent of Industrial Development in the Private Sector envisaged during the Second Plan Period in Andhra State are as follows:—

(a) Textile Mills—4	...	48,000 spindles in all.
(b) Ferro Manganese Plant at Garividi in Sri kakulam District—1	...	30,000 tons per annum.
(c) Sugar Factories—7	...	6,800 tons cane per day.

(d)	Heavy Chemicals factory—1 ...	33,000 tons of sulphuric acid. 1,00,000 tons of super phospate.
(e)	Cement Factories and also expansion of existing cement factories—3 ...	5,87,700 tons per annum.
(f)	Caltex oil refinery—1 ...	6,75,000 tons per annum.
(g)	Paper and bagasse—2 ...	50 tons a day,
(h)	Manufacture of bicycles—1 ...	
(i)	Steel rerolling mill—1 ...	

Q: 49. The volume and lengths of movement of existing traffic is likely to be affected to the extent of about 30 to 40% by the development visualised by the Private Sector during the Second Plan Period in the State.

Q: 50. No information available.

Q: 51. The nature and extent of industrial development in the Public Sector envisaged during the 2nd Plan Period in Andhra State are as follows:—

State Government.

(a) Expansion of Andhra Paper Mills at Rajahmundry—35 tons of paper per day.

(b) Expansion of ceramic factory at Gudur with additional lines of production.

(c) Working of Sri Venkateswara Paper and Straw Board Mills at Tirupati.

(d) Co-operative Sugar Factories.

Central Government

(1) Expansion of ship-building at yard at Visakapatnam.

(2) Fertilisers factory 1.—200 tons of Ammonium Sulphate.

Q: 52. The volume and lengths of movement of existing traffic is likely to be affected to the extent of about 10% by the development visualised in Public Sector during the Second Five Year Plan period in the State.

Q: 53. The volume and lengths of movements of traffic during Second Plan period relating to the Public Works and Transport Department will be double the existing traffic. The particulars noted below will give an idea of the anticipated increase.

STEEL

1954–55	1955–56.	1956–57
617 tons	1337 tons.	3200 tons.

CEMENT.

5803 tons.	13,847 tons.	35,000 tons.

Q: 54. The following points may perhaps be kept in view:

(i) The freight in respect of the Agricultural requirements like Iron and Steel, manures etc., may be kept at as low a level as possible so as to reduce their cost to the agriculturists.

(ii) Fruits and Vegetables may be shown maximum concession.

(iii) Co-operative Societies may be shown concessional freight rates as they benefit small growers.

(iv) The present rates for smalls have to be reduced so as to make them at par at least with the other modes of transport, in such cases.

(v) Development of internal as well as export rate, and

(vi) Stabilisation of internal prices.

Q: 55. No remarks to offer.

PART I-B

ANNEXURE V

Q: 1. For one ton of finished goods in respect of paper and ceramics the following principal raw materials and fuel (coal) are required.

1.	Bamboos	1·4 tons.
2.	Waste paper	0·5 ,,
3.	Rags and Gunny waste	0·25 ,,
4.	Coal	5·00 ,,
5.	China clay	8 cwt.
6.	Ball clay	4 ,,
7.	Quartz	7 ,,
8.	Felspar	3 ,,
9.	Coal	5 tons.

Q: 2. The total production of finished goods is as follows:—

PAPER

1952–53	1,655 tons.
1953–54	1,504 ,,
1954–55	1,516 ,,

CERAMICS

1952–53	91 tons.
1953–54	100 ,,
1954–55	110 ,,

Q: 3. Information not available.

Q: 4.

TRAFFIC RECEIVED

	Paper in miles	Ceramics in miles
Longest distance received (for raw materials.)	700	1,050
Shortest distance.	95	250
Average.	360	650

TRAFFIC DESPATCHED

	Paper in miles.	Ceramics in miles.
Longest distance.	1,425	1,280
Shortest distance.	20	180
Average.	500	730

Q: 5. PAPER:—

1. Bamboos are being obtained from the nearby forest coupes by rafts over the river Godavari.

2. Waste paper. } These materials are
3. Rag and gunny. } received by rail only.

CERAMICS

Raw materials	By lorry only	By rail only
China clay	...	70 tons.
Gypsum	...	22 tons.
Ball clay	...	44 tons.
Quartz	150 tons	...
Fire clay	...	110 tons.
Felspar	100 tons	...
Coal	...	1,200 tons.
Straw	38 tons	...

Q: 6. In respct of paper, the entire quantity is being despatched by rail.

For the ceramics, proportions of despatches are partly by rail and partly by road. The quantity despatched by rail is about 7 times of the quantity hauled by road.

Q: 7. (a) Average price of raw materials for the year 1954-55.

		Price.	Freight.
1. Bamboos	...	Rs. 60 0 0 per ton.	These are obtained from the forests by rafts over the river.
2. Waste paper	...	Rs. 165 0 0 do.	Rs. 30 0 0 per ton.
3. Gunny waste	...	Rs. 70 0 0 do.	Rs. 30 0 0 do
4. China clay	...	Rs. 130 0 0 do.	Rs. 35 0 0 do.
5. Ball clay	...	Rs. 13 0 0 do.	Rs. 13 0 0 do.
6. Fire clay	...	Rs. 8 0 0 do.	Rs. 15 0 0 do.
7. Coal.	...	Rs. 16 4 0 do.	Rs. 19 0 0 do.

Figures in respect of the years 1938-39 and 1947-48 cannot be furnished since the Andhra Paper Mills and Ceramic Factory came into existence only from 1948 and 1949 respectively.

(b) The average price of the finished product (Paper) during the year 1954-55 was Re. 0—10—0 per pound. There will be no variation in price at the important consuming centres as the products are sold on F.O.R. destination basis. The question of corresponding figures for 1938-39 and 1947-48 does not arise since the paper mill came under the control of Government in 1948 only.

In respect of ceramics, the average price of the finished products (1954-1955) at the manufacturing point works out to Rs. 13/- while the price at the consuming centre is Rs. 15/-

Q: 8. Despatches of finished products by rail.

		Paper	Ceramics.
(i)	1 to 50 miles	4 tons	2 maunds
(ii)	51 to 100 ,,	5 ,,	73 ,,
(iii)	101 to 200 ,,	6½ ,,	347 ,,
(iv)	201 to 300 ,,	...	1264 ,,
(v)	301 to 400 ,,	590 ,,	489 ,,
(vi)	401 to 500 ,,	32 ,,	389 ,,
(vii)	501 to 600 ,,	36 ,,	703 ,,
(viii)	601 to 700 ,,	314 ,,	492 ,,
(ix)	701 to 800 ,,	348 ,,	4 ,,
(x)	801 to 900 ,,	25 ,,	Nil ,,
(xi)	901 to 1000 ,,	15 ,,	Nil ,,
(xii)	1001 to 1200 ,,	48 ,,	414 ,,
(xiii)	1201 to 1500 ,,	40 ,,	1 ,,
(xiv)	Beyond 1500.	...	...

PART II.

Q: 1 (a) Generally for all valuable commodities traders prefer to utilise Railway Risk Rates.

(b) Sugar Machinery packages, Pharmaceutical and medical preparations, scientific and precision instruments, luxury and fancy toilet articles are a few examples of the types of the commodities for which Railway risk rates are utilised invariably.

(c) Compared to pre-war era, in the post war period there is a greater leaning towards Railway risk rates.

Q: 2 (a) Patent Medicines, Scientific and precision instruments to quote a few examples, are generally covered by private insurance in addition to Railway risk. Securing against risk by private insurance alone is rare.

(b) Information not available.

(c) Generally speaking securing against risk by private insurance in addition to Rail-way Risk may be said to have increased by 50% in 1950-55 over that of 1945-50 in respect of commodities mentioned in 2 (a).

Q: 3. Very little, if any, of the traffic under owners risk rates is covered by private insurance.

Q: 4. (a) There is no increase under owners risk rate. There is a marked increase in the payment of compensation under railway risk rates in the post-war era for commodities like Rice, Wheat, Pulses, Sugar, Luxury Goods, Patent Foods, Toiletry etc.

(b) No information is available with regard to increase in the quantum of traffic.

Q: 5. (a) (i) 80%
(ii) }
(iii) } 1%
(iv) }
(v) 10%
(vi) 9%
(vii) Nil.

(b) Generally 20% to 30% come under rejects.

(c) No information is available.

Q : 6. No information is available.

Q : 7. (a) Trading public have now greater hold on the railway even under ordinary conditions for packages as a result of this amendment.

(b) As this amendment has a chastening effect on the Railways staff for the proper discharge of their duty, no narrowing down of the difference of owners risk and railway risk rates is necessary. Any such narrowing by increase of owners risk rates will be against the spirit and purpose behind the enacted amendment.

Q : 8 & 9. No remarks to offer.

Q : 10. No suggestions.

Q : 11. Alternative Railway risk rate must co-exist with owners risk rates covering as many commodities as is reasonably possible.

Q : 12. So long as owners risk and railway risk rates are available no further concession need be made to the Trade even if they offer to share the risk.

Q : 13. The owners risk rates may be withdrawn for commodities which are even remotely combustible or inflammable like safety matches, paints and varnishes etc., and that the package restrictions should be stringently applied. Considering the present bad quality of safety matches obtained in the market, the restrictions cannot be stringent,

Q : 14. The present conditions may be said to be fair enough.

Q : 15. The existing packing conditions if strictly applied, will amply serve the purpose.

Q : 16. The existing conditions may be allowed for some more years. Any extra packing restriction to a commodity booked by rail is likely to affect its trade to that extent when compared to the same-commodity booked by road. The effect will accentuate to a great extent in unmanufactured goods many of which are still in short supply. Until the time comes when the demand is fairly met, the healthy business competition bringing in its wake the quality factor will make it easy for the consignor to conform to any extra packing restrictions without any adverse effects in trade, further action may well be deferred.

Q : 17. (a). Providing warehouses for temporary storage through co-operative and other Quasi-official and private bodies besides Railways themselves inculding in their expansion programme similar amenities at suitable Railway heads will be greatly helpful. Under the Five Year Plan Chapters XVII and XVIII the Government of Andhra in their letter No. 8573 N-53-21 dt. 14-12-54, Revenue Dept., addressed the Central Govt. for necessary financial assistance for co-operatives of State to build warehouses. The reply of Government of India is awaited.

(b) The Railways Co-operative Department, and Regulated Market Committees in the State, may in consultation with Central ware-housing Corporation, embark upon ware-housing construction programme, in order that the utilisation of these after completion may be to the maximum extent possible avoiding duplicating in effort and estimates of utilisation potential.

Q : 18 (a). The present provision may be continued.

(b). The existng practice may be continued.

Q : 19 (1). The railway may increase protected shed accommodation for the unloaded or to be loaded goods.

(2) Increase the watch and ward staff with instructions to surprise check frequently, the offside of the standing goods train at the stations.

(3) Stricter check and removal from stations and yard premises non-bonafide persons, vagrants etc.

(4) Suitable special checks to be taken against thefts of coal etc., from open wagons (on the move).

The State Government Police may be requested to give their utmost co-operation in running to ground habitual pilferers and thieves who usually operate in a particular locality or zone.

The Central Intelligence Staff will be able to effectively check or minimise the activities of thieves or racketeers who operate in inter-state fields, in an organised manner

Q : 20 & 21. No remarks to offer.

PART III.

Q : 1 (a). No suggestions.

(b). The work of Railway Rates Tribunal being that of judicial nature besides having its handful with cases on its file, will not be able to give the whole hearted attention that the investigation of Railway Freight Structure requires.

(c). No information is available.

Q : 2. No suggestions to make.

Q : 3&4. No comments.

Q : 5. The Railway Rates Tribunal at the end of a decision give the reasons for delay which may be reviewed by a competent judicial authority. for information and action of the Government.

Q. 6. No remarks to offer.

Q : 7. There is no real reason why this facility is not availed of except. that the number of Advocates engaged in this special work are few and the clauses in the Railway Act are so tightly in favour of Railways and often the amount involved is not big that none have so far taken advantage of this provision.

Q : 8. It would be beneficial should the Director of Agriculture of the State Marketing Officer is co-opted while classifying claims relating to Agricultural commodities of Iron and Steel (including Agricultural Machinery) in order that the ultimate decision is more perspective and not merely judicial.

Q : 9. Except to the extent suggested in item 8 no further expansion is needed.

Q :10. No remarks to offer.

Q:11. The Railway Freight revision work should be dealt with by an independent non-judicial body consisting of experts in Railway rates. Accounts and Trade representatives whose terms of reference should aim at increasing the haulage to the maximum, care being taken for the distribution of freight rate evenly based on value and tonnage without detriment to the overall railway revenue. The Rates Tribunal, a judicial body settles the disputes of classification strictly in conformity with the accepted freight rates and structure.

Q:12. This is a matter for the Government to consider and decide.

Chief Conservator of Forests,

Kurnool.

GENERAL.

So far as the Andhra State is concerned, firewood is the major item of produce that is transported by rail to destinations within the State and outside the State. The Railway Stations of origin and the Stations of destination are furnished below:—

S. No.	Station of Origin	Station of Destination	Route.
1.	Mailpatti ...	Madras	Bangalore city—Madras Line.
2.	Gudiyattam ...	do.	do.
3.	Chittoor ...	do.	Gudur—Villupuram and Bangalore City—Madras Line.
4.	Panapakam ...	do.	Villupuram—Gudur and Bombay—Madras Line.
5.	Chandragiri ...	do.	do. do.
6.	Cuddapah ...	do.	Bombay—Madras.
7.	Vontimitta ...	do.	Bombay—Madras.
8.	Mantapampalle ...	do.	do.
9.	Rajampet ...	do.	do.
10.	Reddipalle ...	do.	do.
11.	Orampad ...	do.	do.
12.	Kodur ...	do.	do.
13.	Settigunta ...	do.	do.
14.	Mamandur ...	do.	do.
15.	Nandyal ...	Narasaraopet	Hubli—Masulipatam.
16.	Gazulapalle ...		
17.	Chelama ...	Guntur	
18.	Diguvametta ...	Nambur	
19.	Giddalur ...	Mangalagiri	
20.	Cumbum ...	Tadepalli	

2. The bottle-necks in the matter of movement are, wagons are not supplied as and when requisitioned or at least within 4 or 5 days from date of requisition. Wagons are at present supplied at times two or three months after registration. This results in the firewood getting deteriorated, shrunk and being pilfered at the station of origin. The delay in the allotment of wagons for the movement of firewood by the Railway authorities is probably due to its being not classified as an essential commodity. It is high time that the importance of firewood in the daily life of the community living especially in big cities and towns is recognised, and it is assigned its due place in the list of essential commodities for rail transport, as, without firewood, no food can be cooked even if one possesses enough quantity of cereals and other food stuffs. Sudden allotment of wagons after long intervals results in upsetting the market conditions.

3. It is a general complaint that firewood wagons reach the places of destination 10 to 15 days after leaving the intermediate stations. They are delayed for unduly long time in transit and pilferage of the firewood occurs almost at every station between stations of origin and destination when open wagons are supplied.

4. About 2 years back, freight charges were enhanced on almost all commodities. But the rate of enhancement varies from commodity to commodity. Though firewood is as essential in daily life as common salt, the freight charge on this commodity was enhanced by hundred percent.

5 On account of the delay in the supply of wagons and the consequent shrinkage, pilferage etc., the stocks get reduced and contractors are sometimes not able to utilise the full quota of wagons when they are supplied. In such cases a penalty is being levied for not being able to load open wagons upto

the line marked therein, besides levying the minimum charges.

6. The following remedial measures are suggested to ease the situation and to expedite firewood movement to the consuming centres.

(i) Reclassification of firewood as an essential commodity and its restoration to the pre—1948 rank in the priority list as this commodity is commonly used by all classes of the public especially the middle and poorer classes.

(ii) Regular supply of wagons open or closed within a reasonable time, that is 4 to 5 days after registration in all seasons of the year.

(iii) Reduction in registration fee for wagons.

(iv) At present, the freight charge on firewood is very high. It becomes uneconomical to transport firewood by rail to consuming centres when the seigniorage fee to the Forest Department, cost of felling, conversion, transport to rail-head, loading and unloading charges besides other sundry expenses are taken into consideration. There is a strong case, and justification for the reduction of freight on this essential commodity.

(v) Reduction in terminal and transhipment charges.

(vi) In cases where transhipment from Metre Gaugeto Broad Gauge is involved, the freight should be charged on the basis of Broad Guage wagon loads and not on Metre Gauge wagon loads.

(vii) Facilities for 'Diversion' and 'Alteration' which were in vogue formerly to be resorted.

(viii) As at present, the minimum weight condition for loading wagons is not workable, due to the firewood being either bulky or light. This rule requires to be replaced and freight should be charged on the material that can be loaded.

(ix) Reducing the period of transit to the absolute minimum by cutting down the delays at junctions.

ASSAM

Government of Assam,

(Transport and Commerce Department.)

Shillong.

GENERAL

While forwarding this Government's reply to the Questionnaire issued by the Freight Structure Enquiry Committee, it is pointed out that this Government attaches a very great importance to the following aspects:—

Item (i) - ***Increase in freight costs*** - These are due to:—

(a) Abolition of a very large number of special rates, consequent to revision of the freight structure in 1948. Prior to 1939, most of the imports and exports of Assam were governed by special rates which no longer exist. As a result, as will be seen from the figures given in reply to Q. 1 (a), the freight costs for certain selected items have gone up by almost as much as 250% as compared to prewar years. As has been said in Q. 1 (a) the additional costs that Assam's exports have to bear can be safely deduced to be in the region of Rs. 2 crores per year and the costs that Assam's imports have to bear would be approximately Rs. 50 lakhs, on account of abolition of special rates. These are figures in respect of important commodities only and the overall effect will be far greater.

(b) On account of partition, the traffic has to pass by the link i. e. over a longer lead and consequently has to incur greater freight costs.

Over and above the commodities covered by special rates in pre-war years (additional freight costs in respect of which have been considered in the preceding para) there are other commodities which did not move under special rates. According to details worked out in reply to Q: No. 26, the additional costs on this account will be approximately to the tune of Rs. 5 lakhs for exports and Rs. 4½ lakhs for imports.

As the quantum of imports and exports increases this burden will also increase.

This Government has therefore two major demands:—

(a) Special rates be quoted widely for tea, jute, potatoes, timber, bamboo chips *ex*-Assam and Iron and steel, cement, piecegoods, grains and pulses, salt, and sugar to Assam.

It is suggested that quotation of these special rates should not be dependent on commercial justification alone. As long as transport capacity over the link is limited such rates cannot bring additional traffic. All the same they are very necessary to restore the equilibrium that has been upset because of partition.

(b) It is understood that the powers at present given to Railway Administrations to quote special rates in deviation from class rates are extremely limited.

Further even these rates can be quoted subject to "Accounts" concurrence, which is usually forthcoming if the special rates mean more revenue to the Railways. Even the normal commercial principle of earning

good-will and increased revenue at a future date are not often appreciated by the Financial Advisers to the Railways.

It is not only necessary that very wide powers be given to individual Railway Administrations to quote special rates but a directive be issued to the Railway Administrations that while considering the advisability of giving such rates the effect of these rates on the cost of living in case of consumer goods and on the production costs in case of raw materials, machinery and fuel should receive as much consideration as the conventional commercial justification.

(c) The mileages charged even in respect of commodities for which no special rates are quoted should be the same as would have obtained but for partition.

(d) Equally important is the demand that not only be arrangements made to transport goods to and from Assam in conjunction with Steamer Co., as and when the link line is breached during the monsoon but also that this should not mean an increase in freight costs.

Item (ii). *Inadequate capacity over the link*—According to Appendix IV-A & B it will be seen that the imports by rail have declined by as much as 88% and the exports by as much as 17% in 1953-54 as compared to 1939-40. This decline is entirely because of the limited movement capacity over the link.

Considering the line capacity to be 22 on the link, after catering for passengers and ballast trains, the capacity left for running goods trains is about five trains each way. Taking into consideration the maximum haulage capacity of engines over the link, this would mean about 150 wagons each way, even assuming that the power position permits maximum utilization of available capacity. Assuming further that the link remains open for 300 days a year, this will mean a total of 45,000 wagons moving over the link every year each way.

Deducting requirements of Bengal, the Railway's own requirements and empty tank wagons returning to Tinsukia, we can deduce that 35,000 wagons, or approximately 3,50,000 tons, can move annually over the link each way for the use of public and the Government in Assam.

As against this the imports by rail in 1939-40 of certain selected commodities alone were to the tune of 14,40,000 tons. This means that the present capacity over the link is only 25% of Assam's pre-war requirements.

Naturally this leads to a lot of traffic being moved by river and in fact over the last five years imports by river have registered an increase of 24% and the export 16%. Freight costs by river being higher than by rail, this means further additional burden on Assam's economy.

Even the combined capacity of the Railways and the Steamer Co., is wholly inadequate to meet the transport needs of Assam and the result is shortage and high prices of imported goods and difficulty in exporting the surplus produce of this State.

This limited capacity also makes financial justification for quoting of any special rates very difficult as it is hardly likely to result in increased traffic till the capacity over the link is not increased.

Item (iii) *Breaches over the link*-This has been a major disturbing feature for the last 4 or 5 years. The duration of the breaches during the last 5 years has been as under:—

Year	Duration of breaches
1951	5 days
1952	36 ,,
1953	7 ,,
1954	113 ,,
1955	64 ,,

Item (iv *High cost of living*—The very much higher freight costs that Assam has to pay for its imports both by rail and steamer as compared to pre-war years coupled with the fact that the total imports are much less than Assam's needs has caused the cost of living indices in Assam to go up by as much as 23%, 25% and 14% for Gauhati, Silchar and Tinsukia respectively as compared to 1945, which was the peak of war period. It may be re-called that Assam was a war zone.

It will be no exaggeration to state that this high cost of living is mainly due to transport problem.

Item (v) *Abolition of owner's risk rate and railways being considered as insurers of goods*:—In this connection attention is invited to remarks given against Q: 8-13 and Q: 18 of Part II of the Questionnaire.

Incidence of pilferages and theft and damages in transit have assumed proportions which can only be called alarming.

The present position of the Railways as bailees gives an opportunity to Railways for repudiating claims on flimsy grounds.

Item vi *Time limits for settlement of claims*:—In this connection reply to Q: 21 of Part II may please be seen. Delay in settlement of claims has become a great source of worry to the Railways' Customers and a serious attempt to remedy this is of the utmost importance.

It is in this connection, and also as a facility to the public that the maximum limit for settlement of claims of this Region by Regional Superintendent, Pandu be increased from Rs. 500-0-0 to Rs. 5000-0-0.

Item (vii) *Time limits for transit of parcel, goods and livestock*:—Delays in transit have become a normal feature at least on this region. A parcel from Calcutta to Gauhati takes on the average as many as 18 days, a wagon from Kanpur to Gauhati 44 days and a livestock—wagon from Delhi as many as 19 days.

This must be remedied and this Government are very keen that the targets proposed in reply to Q: 20 of part I and Q: 8-10 of Part II be incorporated in the Railway Act.

Item (viii) *Reducing burden of terminal, transhipment and wagon-ferry charges for imports and exports of Assam*:— As a result of partition, Assam has to bear a very considerable burden on account of such miscellaneous charges. Some of these charges are products of partition and should be reduced to that extent. In this connection this Government's reply to Q: 5 (iii) of Part I may please be seen.

Item (ix) *Concessional rates for products of hill areas and other tribal areas of Assam*:—These

areas form a very large proportion of this State and adjacent territories. Not only is their development receiving constant attention of this Government but also of the Government of India. This Government therefore, attaches a great importance to exports from these areas—Cotton, Potatoes, Timber as mentioned in reply to Q: 2 (a)—and cottage industry products of these areas as mentioned in reply to Q: 37, being given special concessional rates. Fresh fruits like oranges and pineapples should not only continue to be given the advantage of quarter parcel rates but special rates to Calcutta, Lucknow, Patna, and a few other stations be quoted.

PART I-A

Q: 1 (a) & (b). While it may be true that for the country generally introduction of telescopic class rates on a continuous mileage basis, has proved beneficial. in case of Assam this does not hold good at all. The reason is that prior to war most of the commodities were governed by special rates which have been replaced by telescopic class rates. The following table will illustrate the point:—

Commodity.	Freight rate per maund. ex-Calcutta to Gauhati.		Freight costs for comparative distances in rest of India.		Percentage increase over the last 16 years.	
	1938—39	1955	1938—39	1955	For Assam	Rest of India.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.		
Salt ...	0 9 2	1 4 9	0 9 8	0 15 0	126%	53%
Sugar ...	0 10 6	2 3 10	1 1 9	1 9 5	241%	43%
Cement ...	0 8 8	1 4 11	0 8 4	0 15 2	141%	82%
Iron & Steel (Division B) ...	0 14 3	2 3 10	1 1 9	1 9 5	151%	43%
Hides & Skins ...	0 14 1	2 8 9	1 9 7	1 11 2	189%	6%
Potatoes ...	0 8 8	1 7 11	0 9 6	1 0 8	176%	75%
Jute ...	1 0 10	3 3 0	0 10 3	2 6 2	203%	269%
Tea ...	1 8 10	4 13 4	2 9 11	3 14 4	211%	149%
Timber ...	0 4 3	1 3 1	0 6 8	0 12 8	349%	90%
Cotton piece-goods ...	1 0 0	3 6 1	1 9 9	2 7 1	238%	53%
Grains & Pulses ...	0 8 7	1 4 10	0 9 0	0 14 8	142%	63%
Machinery other than electrical. ...	0 15 8	2 6 8	1 3 4	1 11 6	147%	50%

Note:—I. In case of jute, tea and timber, freight *ex*-Haibargaon, Tinsukia and Sapatgran respectively, has been taken instead of Gauhati.

II. In case of jute at a first glance it may appear that the increase in freight costs is more for rest of India as compared to Assam. It should, however, be borne in mind that the rates for rest of India were taken for purposes of comparison only and the actual mileages of jute producing areas in Bengal to Calcutta being much less the incidence of freight increases would also be comparatively less.

It will be seen that on this basis, taking rail imports and exports figures of 1953-54 as given in Appendix IV-A & B the additional freight costs paid by Assam in one year alone for certain commodities were as under :—

Exports

Jute	Rs. 68	lakhs	Total for exports Rs. 175 lakhs approximately.
Tea	Rs. 101	,,	
Timber	Rs. 5.26	,,	

Imports

Salt	Rs. 3.6	lakhs	Total for Imports Rs. 36.05 lakhs.
Sugar	Rs. 8.3	,,	
Cement	Rs. 2.75	,,	
Grain & Pulses	Rs. 6.63	,,	
Iron and Steel	Rs 12	,,	
Piece -goods	Rs. 2.77	,,	

The enormous effect that the abolition of all special rates has had on Assam's economy can well be judged from this. It is no consolation whatsoever to Assam, therefore, that telescopic rates were introduced.

A very liberal application of special rates in respect of all the commodities mentioned is of utmost importance for Assam.

(c) The extent to which this revision in freight structure has led to an increase in long distance traffic cannot be readily ascertained. However in as much as inspite of increased freight charges for minimum and short hauls, economies of distances still keep the consumers dependent on the nearest source of supply (other things like quality being equal) in case of most of the consumer goods, raw material and fuel etc., the effect has not been as much on the quantum of traffic moving over shorter distances as on the price at destination (in case of shorter distances) of the goods. That is, one now pays more as freight on what he gets from shorter distances.

Q: 2. (a) The withdrawal of all station to station rates which governed most of the exports and imports of Assam has hit Assam very badly as brought out in reply to Q: 1 (a & b).

Providing the following station to station rates is of imperative necessity to Assam's economy :—

Commodity.	From	To
Iron & Steel (Divns. A & B.)	Tatanagar Calcutta.	Gauhati Karimganj Silchar Manipur Road Tinsukia Dibrugarh Dhubri Tezpur.
Cement	Dalmianagar Jhinkpani Calcutta Japla	do
Sugar	Calcutta All factories in Bihar & U.P.	do
Salt	Calcutta Areas supposed to supply Assam according to Zonal Scheme	do
Mustard Oil	Calcutta Kanpur Agra Fort.	do
Cotton piece-goods	Ahmedabad Bombay, Calcutta Coimbatore.	do
Heavy machinery	Calcutta & Bombay	do
Potatoes	Gauhati & Manipur Road.	Calcutta.
Tea	Tinsukia Silchar Barpeta Road, Titabar Naharkatiya.	do
Jute	All stations in Nowgong, Kamrup and Goalpara Dists.	do
Cotton (loose or pressed)	Dhubri – Maibong.	Calcutta. Kanpur.

In this connection it is understood that the present powers of the Railway Administrations to grant special rates are very limited and are also subject to concurrence by their Financial Advisers.

It is not only necessary that the Railway Administration be given wide powers in this respect, but also that effect of transport costs on prices of consumer goods, raw materials, fuel, machinery and on export trade of the State which have to compete with the rest of India and sometimes in the international market (such as tea, jute etc.) should receive as much importance as commercial considerations.

In fact, since wagon shortage and limited movement capacity over the link make any additional traffic an impossibility it will be grossly unfair to deny special rates to Assam on the plea that these would not bring additional traffic to the Railways.

(b) This question can best be answered by Railway Administrations.

Q: 3 (i). Yes. The demand for reduction in the number of telescopic class rates has been voiced in certain circles but is not acceptable to this Government as it is felt that it will lead to a rigidity in the freight structure and may also affect transport costs of certain commodities adversely as a result of merging of one or more class rates into one.

(ii) (a&b). No remarks to offer.

Q: 4. The practice of keeping maximum rates for all telescopic class rates should be retained and should be extended to certain other wagon load scales also to cover some important commodities.

Also for the first 4 classes of telescopic class rates since these cover important items of consumption such as cement, salt, sugar, kerosene oil, foodgrains etc., the maximum rates should be so fixed that it becomes applicable at a stage lower than 1500 miles as is the case at present. In these cases maximum rates should be so fixed that it becomes applicable at 50% above the average haul in case of commodities mainly represented in these class rates. While this will have to be done taking into consideration the average hauls for the country as a

whole, the average hauls for some of these commodities in case of Assam based on distances between main sources of supply and centres of consumption would be:—

Cement - 950 miles
Salt - 890 ,,
Sugar - 950 ,,
Rice - 140 ,,

Q: 5 (i)—*Terminal charges*: Although in principle there cannot be any objection to these charges, the present difference of two pies per maund only at each end between commodities which have to be loaded and unloaded by the Railway Administration and by parties themselves requires to be reviewed as this does not reflect even partially, as it really should, the labour cost incurred by the merchants in loading and unloading (which have gone up considerably since these charges were fixed). The rates for consignment to be loaded and unloaded by owners should therefore be reduced to 4 pies per maund subject to additional proviso that if in any particular case the sender or the consignee does the loading or unloading by himself even though "L" condition is not applicable to the consignment, then the lower terminal charge of 4 pies per maund should be levied for each operation. This charge is incidentally the same as the Railways recover from the merchants when consignments under "L" condition are unloaded by them.

(ii) *Short distance charges:* Normally short distance traffic should move by alternative means of transport such as road, river etc. Also short distance traffic means proportionately more overall terminal costs of transport. In view of this, short distance charges, it is admitted, cannot be dispensed with altogether. Further this may have considerable financial implications for Railway economy also and in view of the other more important concessions in freight structure proposed in reply to subsequent question, a total abolition of short distance charges may not be feasible.

However, in case of genuine smalls consignments of say less than 25 maunds each of consumer goods booked from specific distributing centres, these charges may be done away with. The consumer goods for this purpose should be considered to be salt, cotton and woollen piece-goods, rice, medicine, kerosene oil, safety matches and sugar. The specified distributing centres in case of this State would be Gauhati, Manipur Road, Tezpur, Karimganj, Tinsukia, Dibrugarh and Dhubri.

Raw material for paper, sugar—textile industries to be set up in the State under the Second Five Year Plan should also be exempted from this charge.

Also all agricultural implements, chemical manures, fertilisers and products of cottage handicraft industries should be exempted from short distance charges whether booked as smalls or as wagon loads from any station to any station.

(iii) *Transhipment charges*: As a result of partition traffic coming to Assam from Calcutta and going to Calcutta has to bear charges as under:—

	Rs.	a.	p.		Total
Terminal charges	0	1	0	per maund.	Re. 0-5-1 per maund.
Transhipment charges	0	0	3	,,	
Ferry charges	0	1	10	,,	
Howrah bridge charges	0	2	0	,,	

Out of these, since prior to partition there was only one ferry crossing, half the ferry charge *i.e.*, 11 pies per maund is an additional burden.

It is unfair that these charges be levied even though they may represent actual costs incurred in repeated ferry crossing operations.

This Government's view is that effects which are peculiar to Assam due to partition be reduced to the extent that they are entirely the result of partition. Hence the ferry charge be reduced to the extent of one operation only.

Q: 6 & 7. No.

Q: 8. No empty haulage charge is at present recovered on petrol and allied products from Assam oil Company nor does this Government favour levy of such a charge.

Q: 9. Apart from transport conditions and prices, the use that the commodities are put to should also be a major guiding factor for classification of a commodity. On this basis, re-classification as per Appendix I would appear to be necessary.

It will be seen that in these recommendations the uses of the commodities have been taken into consideration for recommending special lower rates for them. These rates are, of course, tentative and are subject to adjustment if transport costs make it absolutely necessary.

Another case is that of Ballast, Kunkar, Boulders, etc., which are carried at I class and WL/C Schedule rates. These items are of great importance in construction of roads, river training and protection works and this seems to be the basis for a low rate. In view of this, consideration of transport costs must not lead to an upward change of classification.

Q: 10. As regards re-classification of certain commodities attention is invited to Appendix I in reply to Q: 9.

Q: 11. On and from 1st April '55 a surcharge of 6¼ percent has already been levied on consignments of less than 20 maunds irrespective of distances. As a means of preventing splitting of full wagon load consignments and thereby ensuring better utilisation of wagon space as well as in partial recompensation for loss of revenue likely to be incurred due to re-classifications of rates as proposed elsewhere by this Government, this surcharge may continue with the following exceptions:—

(a) Certain specified consumer goods (i.e., salt, cotton and woollen piece-goods, rice, medicines, kerosene oil, safety matches and sugar) when booked from specified distribution centres (i.e., Gauhati, Tezpur, Karimganj, Tinsukia, Dibrugarh and Dhubri in case of Assam).

(b) Finished products of and raw materials for handicraft and cottage industries booked from any station to any station.

(c) Agricultural implements - Chemical manures and fertilizers booked from any station to any station.

Q: 12. Present minimum rate of charge of Rs. 1/12/- per ton of carrying capacity would in effect become operative in case of consignments booked for distances less

than 25 miles in case of the lowest telescopic class rate and less than 50 miles in case of lowest wagon scale. It cannot therefore be said that these rates are irksome to the trading community.

In fact in order to safeguard the interest of the road transport services and onsuring that short distance traffic moves by road wherever possible, it would be advisable to so fix the minimum rate for charge that it becomes operative for each class of telescopic rates when the total distance is less than 25 miles and for each class of wagon load scale when the distance is less than 50 miles.

The minimum rate of charge will, therefore, have to vary for each class of rate.

Q: 13. (a & b) No.

Q: 14. Present minimum limit for weight may remain as increase in the same would cause hardship in genuine small scale movements for agricultural purposes or cottage industries of bulky goods or goods which cannot bear higher transport costs for parcel rates. In fact to a certain extent overlapping of spheres of parcels and goods traffic is unavoidable.

Q: 15. The existing procedure may remain, as a flat rate for smalls of all classes is bound to be higher than the existing telescopic class rates in the first 2 or 3 classes, according to the principle of averages and as most of the 'essential' commodities are in these lower groups, this would increase freight charges on these commodities.

Q: 16. (i) The wagon load scales are based on the maximum weights of particular commodity that can be accommodated in wagons of an average floor area/carrying capacity. These have however become obsolete as a result of putting on line of IRS & IRCA types of wagons with greater floor areas and carrying capacities. These therefore require revision. Since at present the carrying capacities vary between considerable margin of 8 and 18 tons in case of M. G. wagons and the floor area varies from 91 Sq. ft. to 168 Sq. ft. it would be worthwhile considering the feasibility of laying down two minimum weights for wagon load scales, one for wagons with floor area/carrying capacity below a certain limit and another for wagons above this limit.

It should also be laid down that once a merchant offers a commodity to the extent of minimum weight laid down for wagon load scale, this rate should be made available to him even if the particular wagon offered to him cannot accommodate that minimum weight, because of limited floor area even though carrying capacity permits it.

This will obviate the necessity of the merchants insisting on wagons of particular floor area in terms of rulo 9 page 1 chapter I of IRCA Goods Tariff No. 29.

If these steps are takan it is felt, it may not be necessary to revise the "W" condition in upward direction to ensure maximum utilisation of wagon space.

In fact it is understood that sometime ago the Commercial Committee of the IRCA through its member railways carried out investigations regarding the maximum weight of various commodities that can be loaded in wagons of different floor area/carrying capacity. The minimum weights may be revised, though not necessarily in the upward direction, in the light of the results obtained as a result of these investigations, keeping in mind the feasibility of having two series of minimum weights.

(ii). In view of reply to Q: - 11, a separate reply to this question is not called for.

(iii). As an inducement to merchants to load wagons to the extent of room available, reduction of 6¼ percent may be allowed on the quantity loaded in excess of the minimum weight.

16 (A) (i). As stated in reply to Q: 16 (i) the whole question of laying minimum weight conditions for different commodities will have to be reviewed after taking into consideration the maximum weight of each commodity that can be loaded in wagons of different floor area/carrying capacity.

(ii). Once the minimum weight conditions are reviewed as recommended in reply to Q: 16 (i) this problem will no longer remain.

In this connection however one point must be emphasised. In most of the cases for fulfilling the minimum weight condition on the broader gauge a party has to indent for two or more wagons on the narrower gauge. If the Administration fails to supply these two or more wagons at a time the party has either to wait till he gets these wagons supplied at a time or has to load in lesser number of wagons and thereby lose the advantage of the wagon load scale. Since freight cost affects delivery price at destination, and has possibly been considered by both the parties while placing the order this causes a lot of embarassment to the merchants and often results in the party at the other end refusing to retrieve from the bank, the Railway receipt wherein freight has been charged at telescopic class rates instead of wagon load scale. As this is due to no fault of the sender it should be provided that whenever the sender has indented for two or more wagons with a view to get advantage of wagon load scale over the broader gauge, this rate should be made available to him if the Administration fails to supply the requisite number of wagons at a time, an endorsement being made on the booking documents that the wagon load scale has been made applicable even though the minimum weight condition on the broader gauge is not satisfied as the sender could not be allotted the number of wagons indented for at a time. In such cases the sender would of course be compelled to load the next wagon allotted to him for the same destination under the same registration to fulfil in the aggregate the minimum weight condition for the broader gauge, provided the next wagon is supplied within a reasonable time limit, say 72 hours, after the first wagon.

Q: 17. The system of train load rates should not prove detrimental to trade interests and may in fact be beneficial to larger industries, if the following conditions are borne in mind:—

(i) These rates should be lower than the existing telescopic class rates and wagon load scales, which must not, however, be raised in order that the maximum train load rates are lower than other rates.

(ii) The rates may be made available provided the train load movement is in one direction upto a certain minimum distance and all the wagons need not necessarily be for the same destination/break of gauge point or to the same consignee. It would not be advisable to lay down that these rates would be admissible if the movement is in one direction up to the next marshalling yard as it would mean (a) laying down numerous train load rates by each individual railway and specifying of 'marshalling yards' for this purpose thereby complicating the rates structure (b) in many cases distances from the loading point to the nearest marshalling yard would be ridiculously small.

(iii) Except in cases where the train load movement is to a point or area where back loading is possible train load rates should be made more attractive during the slack period, *i.e.*, monsoon for ensuring better utilisation of wagons during this period.

In passing, however, it may be added that the introduction of this type of rate should at present be extended only to those cases where the Railway Administrations are in a position to ensure adequate supply of wagons for a train load at a very short notice. This is very important as it may otherwise lead the purchasers and buyers into commitments (keeping in mind the lower freight cost) which they may not be able to fulfil and thus lead to serious complications.

Q: 18. The Express Goods Services are mostly utilised for clearance of perishable traffic, livestock and through loads and in actual practice it may not be possible to clear all other traffic of a miscellaneous nature, (particularly from road side and intermediate stations) for which "Express goods charges" have been paid, by Express goods trains without resulting in (a) considerable detention for shunting enroute (b) the express goods train not being able to run with maximum loads from starting stations for road side clearance of goods booked at 'Express' rate.

In fact, if the difference between ordinary and 'Express' rates is small, most of the traffic will be booked at Express goods rate thereby making the clearance of all such traffic by Express Goods trains impossible. If, on the other hand, the difference is considerable then, except in cases where expeditious transit is necessary to prevent deterioration of contents (such commodities are already moved by express goods train and to an increasing extent by parcels) in no other case would the trading community be forthcoming to pay this additional charge.

Then again it is difficult to ensure that an 'Express Goods' consignment is actually carried by an express goods train throughout the journey, nor is it possible for the party to ascertain (in cases of delay) that this has been the case.

It may, in passing, be added that detention of a day or two at the starting station or at an intermediate yard for want of room in the Express Goods train, would defeat the very purpose of this system even though from a strictly legal point of view the Railway Administration may have kept its contract of carrying consignment by Express Goods train.

Q: 19. The rules for recovery of crane charges appear to be quite reasonable except that when the consignor has intimated in advance that crane will be required at destination and this intimation has been incorporated in the Railway receipt, demurrage charges at destination should not be recovered on wagons waiting for crane.

Incidentally a very large scale movement of commodities requiring handling by crane is anticipated during the 2nd Five Year Plan and it is presumed that the Railway Administrations are reviewing the existing number of cranes available and their additional requirements thereof keeping this point in mind.

Q: 20. The present rate of Re. 0-8-0 per 4-wheeled wagon per mile (plus 20% for consignments booked at Railway risk) works out to approximately ·25 and ·3 pie per maund per mile for O.R. and R.R. rates, i.e., equivalent to the lowest wagon load scale rate. As such no alteration in rates is considered necessary except the following.—

(a) For bulls for breeding purposes despatched under a certificate from the State Government/Central Government officials a reduction of 50% on the normal rates be allowed:—

(b) A target transit time of 1 day for every 100 miles on B.G. and 75 miles on M. G. or N. G. plus one additional day for (i) despatch exbooking station (ii) each transhipment point (iii) each wagon ferry point, be laid down, and in the event of this target time being exceeded the railways should be made liable for any loss or damage suffered as a result of this delay unless it can be specifically proved that the delay was due to factors beyond human control.

Q: 21. (a) Cases where State-owned road transport services for goods traffic run parallel to the Railways are non-existent in this State. Nor are any such services contemplated during the Second Five Year Plan. As such a restriction of the nature proposed does not appear necessary. Further the surcharge of 6¼% for smalls traffic would offer adequate incentive for diversion of short distance traffic to road. The rates of privately owned goods transport services operating parallel to the Railways are too high as compared to Railway rates and a restriction of this type necessitating transport by road will add considerably to transport costs over short distances.

(b) The existing surcharge of 6¼% on "smalls" is considered to be adequate for such a diversion if the rates charged by private road and Inland Waterways Companies are reasonable.

(c) Does not apply in case of this State.

Q: 22. Private owned goods transport services operate on routes shown in Appendix V.

The details of maximum rates fixed by this

Government for these services and the corresponding rates on the Railways are as per Appendix II.

The maximum rates fixed by the Government for road transport have been mentioned in this Appendix. Since there is no worthwhile competition between private operators themselves, maximum rates in actual practice become the actual rates.

As regards comparative rates between Inland Waterways and the Railways these can be compared only between the following specified points:—

Dhubri–Amingaon	Gauhati	)
Dhubri–Gauhati		Tezpur
Dhubri–Tezpur and		Neamati
Dhubri–Neamati		)

The position of comparative rates is shown in Appendix III.

In this connection it may be added that from or to ghats not served by railways these freight rates are invariably high.

Q: 23 The clause about creation of freight pool for essential commodities is particulary welcome to Assam, which is dependent on imports for most of its requirements and where, as a result of partition, transport costs have increased considerably.

The frieght pool may be made operative on the following items:—

Cement, Chemical manures and fertilizers Salt, Iron and Steel & Sugar.

In view of the development of sources of supplies in different parts of the country it is felt that the pool should be of a zonal nature (Bihar, Bengal & Assam being included in one zone) in case of Cement, Chemical manure, Sugar and Salt and an all India nature for Iron and Steel.

It is only fair that areas situated near the areas of production should get an advantage in respect of that commodity. As such, distances below 300 miles be exempted from the operation of freight pool for consumer goods, raw materials and fuel.

While on principle this Government accepts the application of freight pool to K. oil and Petrol also, before this is done, the price structure should be re-adjusted with Digboi as the originating point like other ports of imports to obviate the anomaly of petrol prices in Assam being the highest even though it is the only source of production in the country.

In this connection a note has already been submitted by this Government to the Committee which considered revision of Motor vehicles Taxation.

In this connection it is a matter of common knowledge that there has been a substantial find of oil at Naharkatia and a new rupee company with State participation to the extent of 33 1/3 per cent has been floated. In order to enable the Assam Oil Company to sell its produce in other States of India at a competitive rate substantial relief in freight must be given. While this would automatically be ensured if freight pool for Petrol and allied products comes into force; if this does not materialise, special rates will have to be liberally quoted.

As regards coal since it is possible that this State will shortly become self-sufficient for coal, movements within Assam be exempted from operation of the freight pool or this Government be advised of the effect of freight costs on movements within the State that a freight pool is likely to have, before any remarks can be offered.

Q: 24. Yes, because Assam's jute is placed at a considerable disadvantage in the Calcutta market on account of higher transport costs as compared to jute from Bengal and Bihar or Orissa. It is presumed that the rate will apply to both pressed and unpressed jute.

Also for the same reason as in case of jute, freight pool should apply to Tea (on zonal basis for Bengal & Assam) going to Calcutta. Since these are both items for export and freight costs on them do not affect consumers or industries in India, the principle of exempting distances below 300 miles should not apply in case of tea and jute.

Q: 25. It should be worked by Joint Committees of Railway, producers and consumers including State Governments.

Q: 26. In case of Assam, partition and the dependence of Assam on the rest of India for most of its requirements have upset the economy of this State to a very great extent as the transport costs have gone up to a very great extent on this account.

Our exports like jute, tea, timber, potatoes and hides and skins find it very dificult to compete in the Indian and International markets because of increase in transport costs.

To the extent that this is due to abolition of special rates in 1948, the matter has been dealt with at length in reply to Q: 1 (a).

However, the increase in transport costs is also due to increase in haul. Prior to partition the main rail-routes to and from Assam were:—

(a) for stations on Southern, South-Eastern, Central (except Jubbulpore and Jhansi Divisions) Western (stations on the broad gauge south of Ratlam) and Eastern (excluding Dinapore Division) Railways-*via* Santahar, Lalmanirhat, Golakganj.

(b) for stations on ex-N. W., N. E. and remaining portions of Eastern, Western and Central Railways—*via* Katihar, Parbatipur, Lalmanirhat.

Now all the movement from areas in (a) takes place *via* Maniharighat and the link and from areas in (b) *via* the link. This means an increase in lead of 152 and 74 miles respectively.

Assuming that the last "leg" was in operation the increase in freight cost would be as under:—

Class	For areas in group (a)	For areas in group (b)
	Rs. as. p.	Rs. as. p.
I	0 4 0	0 2 1
IV	0 5 5	0 2 10
VIII	0 7 3	0 3 10
XIII	0 10 4	0 5 5
XV	0 11 9	0 6 2
W. L/D	0 2 0	0 1 1
W.L /E	0 1 9	0 0 11

This is, of course, a very rough calculation as it excludes additional ferry, transhipment, ghat charges etc. being incurred due to partition.

Total imports and exports of Assam by rail in 1953-54 were 51,86,533 mds and 87,99,914 mds. respectively according to figures obtained from the Commercial office of N. E. Railway, Calcutta. After deducting maundages in respect of commodities for which special rates were quoted prior to partition, and which have therefore, been covered in reply to Q: 1 (a & b), the maundage not so covered is approximately 20 lakh maunds each for exports & imports.

Assuming that 75% of the imports and 90% of the exports were to and from areas in group (a) as Calcutta falls within these areas, the additional freight costs would be as under :—

		Rs.
For exports to group (a)	...	4,50,000
For exports to group (b)	...	25,000
For total exports	...	4,75,000
For imports from group (a)	...	3,75,000
For imports from group (b)	...	65,000
For total imports	...	4,40,000

The net additional freight cost in respect of certain selected commodities for which imports and exports were available, comes to about Rs. 9·5 lakhs in 1953-54.

Total effect in 1954-55 can well be estimated to be Rs. 12·5 lakhs.

While, therefore, this Government have no major changes of a nature which can have uniform applicability for the whole of the country to suggest, the endeavour should be that the freight charges from and to Assam for its major exports and imports should be such as will not put an undue pressure on the economy of the State, as has unfortunately been the case ever since the partition.

Certain suggestions have already been made in reply to Q: 1 (a) and (b) & 9, 10, 23, and 24 with this end in view. However, feasibility of making applicable specially reduced mileages (as would have obtained but for the partition) for calculating freight in respect of movements between stations east of Siliguri Junction on the one hand and stations west of Siliguri Junction on the other should be considered.

If the completion of Ganga Bridge results in an increase in the lead for traffic to and from Assam this must not result in an increase in freight costs but distance for charge should remain unaltered as the longer lead will be for railways' convenience.

To the extent that freight pool will reduce rate in case of certain commodities mentioned above the list may be amended.

Till such time as works required for making the link route free from the dangers of being breached during the monsoon period every year—and the early completion of these works is of paramount importance to this State—are completed, arrangements should be made by the Railways with the IGN & RSN Co., to carry these commodities to and from Assam (at the rates charged by all rail route) during the breach period and total restrictions of traffic to and from Assam which has now become a normal feature for 2 to 4 months every year must be avoided.

The State Government are aware of the major financial implications of these proposals but Assam's case has to be judged not solely on financial grounds or in terms of loss of revenue, but on the crucial importance that the freight rates on these essential commodities have for the economy of the State.

In fact, it would not be an exaggeration to say that unless these seemingly unusual steps of quoting reduced mileages are taken, the implementation of targets proposed in the State's 2nd Five Year Plan and restoration of normal economy may be seriously jeopardised. While not directly concerned with the revision of freight structure but of vital interest to this Government and this State are the questions of ensuring rail communications throughout the year uninterrupted by breaches during the monsoon period, and increasing the capacity of the link to cope up with Assam's growing transport requirement during the plan period. As already stated, on this, more than on any other single factor, depends Assam's future economy.

Q: 27 & 28. To be replied by the Railway Administrations.

Q: 29. In this connection reply to Q: 1 may please be seen.

Q: 30. Since exports of Assam have been very badly handicapped because of partition, abolition of special rates and increase in haul, this Government favour very liberal quotation of concessional rates for exports. Attention is invited to reply to Q: 2 wherein special rates for jute, tea, and timber have been asked for. In fact it would be no exaggeration to say that timber from Assam has been considerably wiped out from Calcutta market due to high freight costs as compared to timber from Terai areas, Madhya Pradesh and Andamans

As regards impetus to industries attention is invited to this Government's reply to Question No. 33 of Part I.

Q: 31. It is felt that freight rates should not normally be affected by other considerations but in a developmental economy such as ours where certain States which were already comparatively backward have been adversely affected due to partition other considerations must of necessity come into play.

In this connection the reply to Q: 26 may please be seen. The following consideration should for the present guide the revision of freight structure:

(a) In case of areas where partition has seriously affected the transport costs and means of transport (such as Assam, Kashmir, Cutch and North Western part of Rajasthan whose normal means of communication were through areas now in Pakistan) at least in case of certain essential products for a certain specified period, the freight charge should as far possible be on a reduced mileage as would have obtained but for the partition of the country.

(b) When the distance from the main centre of export/consumption in case of a particular commodity places a particular area at a disadvantage (for example Tea & Jute from Assam as compared to the same from Bengal), this should be rectified by such devices as freight pool and station to station rates.

The extent to which this policy can be pursued and the specific cases to which it should be made applicable will, of course, depend on the merits of each case and the importance of ensuring financial stability of the Railways.

Q: 32. What has been said above in reply to Q: 31 more or less covers this Government's views in the matter.

There would appear to be no objection in adjusting the freight rates to the advantage of a particular infant Industry or a particular concern as long as the advantage is restricted to a specified initial period of development. The danger of such aid overlasting this period or becoming permanent and thereby becoming a burden on the economy as a whole is considerable and must be avoided by constant review of the industry to see if it can be withdrawn or whether it is serving its desired objective at all.

Q: 33. In view of the foregoing para the reply to the question would be in affirmative.

In so far as the specific industries recommended for such special consideration in this State are concerned, these are:—

(a) for machinery for proposed cement factory at Cherrapunji.

(b) for the raw materials, fuel and machinery for the proposed paper factory near about Lanka, Gauhati, and Karimganj or somewhere in Dhansiri valley area.

(c) for raw materials, machinery and fuel for the proposed sugar factories at Deragaon and somewhere in the Cachar District.

(d) for raw materials, machinery and fuel for the proposed jute mill at Gauhati.

(e) material required for Amingaon-Shella Ropeway.

(f) material required for and products from the new refinery at Naharkatiya.

(g) materials required for the proposed bridge over Brahmaputra.

(h) machinery and other materials for the hydro-electric generating station on Kopili river and thermal generating stations at Cherrapunji and other places.

The details of concessions as regards freight to be given to each of these industries cannot be stated at this date till their location and sources of supply of machinery fuel and raw material have been finally decided upon.

As regards the special consideration for the developed areas this Government's views have been covered in their reply to Q: 26.

Q: 34. While considering this proposal, no doubt very sound from a purely financial angle, it should be borne in mind that the possibilities of commercially remunerative new lines have been more or less exhausted and most of the proposed constructions are bound to be of a developmental (non-remunerative) nature in the initial stages. The areas that they would serve, would also be comparatively backward and one of the main—if not the only purpose of construction of these lines would be the development of these areas.

If in the initial stages inflated mileages are levied, *i.e.*, precisely at a time when these areas are least in a position to bear such mileages, the purpose behind the construction of these lines is likely to be defeated to a considerable extent.

Rather than this, therefore, it would be better to postpone the operation of inflated mileages at least for the initial period of 5 years.

Q: 35. (i) Remarks in respect of Q: 26, 32 & 33 cover this Government's views in the matter.

(ii) This Government are aware of the fact that the importance of maintaining remunerative nature of railways and the importance of finding funds for the large scale intended development of railways cannot be lost sight of. The following measures are suggested for partially off-setting the loss suffered due to the policies enumerated in sub-para (i):—

(a) adjusting the general freight structure with slightly upward trend to compensate for the concession accorded to the undeveloped and handicapped (due to partition) areas and to particular industries and commodity. In other words a wider application of "What the traffic can bear" principle in so far as developed areas are concerned.

(b) the constant review of the concessions accorded to the undeveloped and handicapped areas or infant industries so that these may not be continued beyond the period absolutely necessary.

(c) Improving the basic efficiency and thereby improving the operating ratio by reducing claims compensation bills and better utilization of rolling stock ensuring quicker turn round.

Q: 36. This would be a matter mainly for the Railway Administrations to decide but generally speaking all expenses towards depreciation and replacement, a minimum standard of passenger amenities and facilities like goods and parcel sheds and offices, approach roads etc., for goods and parcels traffic should be deemed to be a charge on the general revenues. As far as possible development schems of a major nature should not be financed from the current revenues as this may necessitate increasing the revenue by general raising of freight rates.

Q: 37. Generally speaking cottage and village industries are as a matter of policy to be developed in spheres which are complimentary to the large scale mechanized industries. However in certain spheres such as a handloom industry the spheres overlap and handloom industry offers employment to a large number of people. As the cost of production for handloom industry is higher than mill production relief by way of reduced rates is necessary.

As markets for the finished products of such industries would be within a small radius from producing centres, exemption from surcharge proposed in reply to Q: 11 and short distance charge—see reply to Q: 5. (ii)—reduced terminal charges and such other help as the Railway Administrations can, may be given.

In the initial stages some concession must be given for a specific period at least for obtaining raw materials,

In other words from time to time station-to-station rates for carriage of such raw materials may have to be given particularly for handicraft products from hill districts and other tribal areas of Assam.

Q: 38. In respect of commodities (such as petrol, iron and steel and coal) for which price control is excercised by the Government, it should be laid down that the freight rates should not change without prior approval of the price controlling departments of the Government.

Q: 39. Not being aware of the transport costs in general or of different commodities and of cases when commodities are transported at a loss, this Government are not in a position to offer any specific comment. However, freight rates for coal appear to be on the low side, but this Government do not favour an increase in the coal rates as any rise in the transport costs of this basic fuel will have far reaching consequences on the price structure of industrial products in general.

Generally charging of economic rates for all commodities should be the object. However, if other considerations such as backward or handicapped nature of an area or development of an infant industry make this inadvisable, then these other factors must receive as much attention as charging of commercial rates during the next Five Year Plan.

Q: 40. While admittedly indicating certain significant features, the argument overlooks the following important points:—

(a) Railways have not reached the 'Optimum' point as yet. Improvements in rolling stock, Locomotives and yards will considerably prolong operation of law of diminishing costs and to that extent carrying of additional traffic will not mean a proportionate increase in operating cost.

(b) Expenses on development and Rehabilitation are not of a recurring nature, while the increase of quantum of traffic will be an ever increasing phenomenon.

(c) The proportionately greater increase in low rated traffic (which consists of fuel, raw materials, building material, machinery etc.,) as compared to high rated traffic will in the course of few years (after completion of the number of projects, works and factories under the Second Five Year Plan) be reversed and transport of high rated commodities will increase proportionately. This phenomenon is, therefore, of a short duration.

(d): The increase in average lead of traffic will also mean economy in transport and terminal costs as these will be spread over a larger range.

However, the fact that during this period Railways will have to be very careful about preventing the rise in operational costs by greater operational efficiency and better utilisation of rolling stock and will have to compensate, to a very limited extent, loss incurred in catering for needs of undeveloped areas and infant industries by increase of freight costs, in so far as they pertain to "non-essential" and "developed" sectors and areas (see remarks to the Q: No. 35) cannot be denied.

But it is very important that the easy way of increasing freight rates to meet increased expenses should be resorted to as seldom as possible as a general keying up of freight structure will accelerate inflationary tendencies which are even otherwise the normal feature of a developmental economy and may considerably upset the calculation of costs on which our development plans are based as in the case of all 'basic' industries (and in the Second Five Year Plan there is a preponderance of such 'basic' industries) transport costs are a very important factor.

Q: 41. Since our quantum of exports has an important bearing on our economy, the rates for export commodities should be as flexible as possible and this is only possible if the Railway Administrations are given wide powers of quoting special rates and quoting of such rates is not made solely dependent on commercial considerations.

Q: 42. Statements showing total import and export trade of Assam by river and rail for certain selected commodities are furnished in Appendices IV A & IV B. These statements indicate the following trends over the last 6-7 years.

Exports: (a) Exports by rail showed a sharp decline in 1946-47 as compared to pre-war years, particularly in case of kerosene oil (due to increased internal consumption). While the position improved thereafter the quantum of exports by rail is less than in pre-war years, due to limited capacity of link.

(b) The ground lost by the railways is being captured by Steamer Company in spite of freight cost being much higher in many cases than by rail. This is because of railways' failure to handle the traffic offering and adds to prices of Assam's products at destination

Imports: (a) Here again railways are carrying 26% less traffic (excluding coal) as compared to 1939-40 and this lost ground is being captured by Steamer Company.

(b) This means an increase in prices of these imports in Assam. In brief, therefore, as compared to pre-war years Railways' ability to cope up with transport requirements has decreased due to partition and traffic is being diverted to Steamer Company in spite of transport cost by river being much higher than by rail.

Also it causes shortages of important items in Assam as even the combined capacity of Railways and Steamer Companies is insufficient for our needs.

Q: 43. This period was so much influenced by such serious developments as

(i) Partition of the country.

(ii) Operation of 1st Five Year Plan.

(iii) Foodgrains and textile price control, and their subsequent decontrol.

(iv) Serious shortages of hard currency and consequent difficulties in importing from hard currency areas.

(v) Serious transport bottleneck and wagon shortage; that freight structure as such had little influence in determining the location and place of industrial development or even free movements of goods over long distances.

In so far as Assam is concerned, as pointed out in reply to Q: 1 (a) wholesale abolition of special rates has greatly jeopardized the cost of living and export trade of such items as Timber, Jute and Tea.

Q: 44. According to information available in most cases the prices are quoted FOR forwarding station.

Q: 45. Information not readily available.

Q: 46. The figures of estimated production at present and at the end of the 2nd Five Year Plan and estimated railway transport requirements at the end of 2nd Five Year Plan for important agricultural products of the State are as under :—

Commodity.	Estimate 1955—56.	Production 1960—61.	Approximate quantity for which rail transport will be required for destinations within Assam.	For destinations beyond Assam.
Tea ...	152000 tons	157000 tons	5000 tons (to SteamerGhats from where it would be transported by Steamers.)	95000 tons.
Jute ...	900000 bales of 400 lbs. each.	1083000 bales of 400 lbs. each.	425000 bales (to Steamer Ghats from where it would be transported by Steamer.)	65000 bales.
Cotton ...	18000 bales 393 lbs. each.	21000 bales 392 lbs. each.	...	2000 bales.
Timber ...	9000000 Cub. ft.	10800000 Cub. ft.	1500000 Cub. ft	900000 C. ft.
Potatoes ...	170000 tons.	190000 tons.	35000 tons.	155000 tons.
Rice ...	1690000 tons.	1913000 tons.	1313000 tons.	200000 tons.
Mustard Seeds ...	64000 tons.	67000 tons.	18000 tons.	35000 tons.
Sugarcane ...	76000 tons.	77000 tons.	48000 tons.	2000 tons.
Tobacco ...	7000 tons.	8000 tons.	5500 tons.	1000 tons.

Note: Balance production will move by Steamer or road.

(figures of estimated production from States' Revised Draft Second Five Year Plan Part I)

Q: 47. It is true that a small scale agriculturist is handicapped in not being able to take advantage of wagon load scales. But in as much as wagon load scales have of necessity to be based on maximum weight that can be loaded in wagon of an average floor area or carrying capacity and have to be lower than telescopic class rates nothing by way of adjustment of freight rates is possible to obviate this.

The remedy seems to be for agricultural produce marketing, co-operative societies to play an increasingly greater part in this respect. In the Second Five Year Plan of this State, provision has been made for the construction of 20 ware-houses under the aegis of the proposed State Ware-housing Corporation. Another 16 Ware-houses are proposed to be provided by the Co-operative Department.

Q: 48 The information is as under for various industries.

Name of Industry.	Estimated production in 1955—56	Estimated production in 1960—61	Percentage increase.
Tea	152000	157000	3%
Coal	500000	600000	20%
Cement	Nil.	136000	New Industry to be set up.
Paper	Nil.	300 tons.	do.
Match	Figures not available.		
Crude Oil and its products ...	800000	1000000	25%
Plywood	2000000 tea chests	Not known.	

[*Note*—Figures in all cases except plywood are from Revised Draft of 2nd Five Year Plan of the State.]

Q: 49 to 53. The information is not readily available.

Q: 54. The basic principles for formulation of a Freight Structure would of course be:—

(a) Value of a commodity.

(b) Its volume in relation to weight.

(c) Transport costs.

(d) Uses to which it is likely to be put.

(e) The fact that over all freight structure must ensure that the railways will remain a financially remunerative concern and will also be able to meet the needs of their development during the 2nd Five Year Plan.

But these fundamental factors should be modified to the extent that interests of backward and handicapped areas and development of certain basic and infant industries render it necessary.

Q: 55 It would be inadvisable to over simplify the rates structure by reducing the number of classifications, total elimination of station-to-station rates etc. as this is likely to make the freight structure inelastic.

Apart from the views already mentioned in the preceding paragraphs this Government have no other suggestions to make regarding modification of the existing freight structure.

PART I-B

Q: 1. The only two industries mentioned in the question in so far as this State is concerned are Tea and Plywood.

As regards Tea, information is only available on items 2 and 6 of the Annexure V. This information is as under:—

(a) Total production of finished products:—

1938-39 & 47-48 not available.
1949-50: 140,300 tons.
1952-53: 147,475 ,,
1953-54: 141,444 ,,
1954-55: not available.

(b) Total products exported by rail in 1953 were 79,082 tons and by river 205,493 tons. This gives percentage of 4:10 respectively. Figures of despatches ex. the gardens themselves are not available. Despatches by road were negligible and upto rail or river head only.

As regards plywood the only information available is figures of production of tea chests from certain factories and these are as under:—

	No. of tea chests produced.
1938-39	6,00,886
1942-43	8,27,493
1943-44	8,42,505
1944-45	6,47,673
1955	20,00,000 approximately.

Q: 2. Information will persumably be supplied by the Assam Oil Company.

Q: 3. The only mining industry in the State for which information is at this stage available is Coal.

Here again figures of production is the only information (out of details mentioned in Annexure VII) available:—

1952.....493,885 tons.
1953.....482,173 ,,
1954.....496,356 ,,
1955.....499,483 ,, (upto October only)

Almost the entire production moves by rail and the only movement by road is upto the rail head.

Another mining industry which can be developed is Silliminite whose production can be to the extent of 5,000 tons per annum if export quota is allotted.

Q: 4. Here again the only information available is in respect of (a) total production and (b) exports by rail and river from Assam (c) current prices in certain cases.

The information is as under:—

(a) *Total yield:* Please see Appendix VI.

(b) *Exports by rail and river from Assam:* In 1953 (the last complete year for which figures are available) the quantities exported by rail and river were as under:—

Commodity		Export by rail in maunds.		Export by river in maunds.
Jute	...	2249020 Maunds.	...	3376308 Maunds.
Oil Cakes	...	188446 do.	...	10657 Maunds.
Cotton	...	Figures not available.	...	33617 Maunds.
Mustard seeds	...	29333 Maunds.	...	Figures not available.

These are figures of export and apart from these, figures of movements within the State are not available.

(c) *Current prices in important centres*:—

(i) *Jute*: Rs. 20-3-0 per maund at Tihu, Rs. 22-0-0 per maund at Gauhati, Rs. 25-0-0 per maund at Nowgong.

(ii) *Potatoes*. Rs. 13-4-0 per maund at Gauhati, Rs. 14-0-0 per maund at Jorhat and Rs. 12-8-0 per maund at Nowgong.

(iii) *Mustard seeds*: Rs. 17-8-0 per maund at Tihu, Rs. 14-0-0 per maund at Jorhat and Rs. 21-8-0 at Gauhati.

(iv) *Paddy: Sali*: Rs. 8-2-0 per maund at Tihu, Rs. 10-8-0 per maund at Hojai, Rs. 10-0-0 per md. at Jorhat, Rs. 10-4-0 at Gauhati and Rs. 10-0-0 per md. at Nowgong.

(v) *Paddy: Ahu*: Rs. 5-0-0 at Tihu, Rs. 7-0-0 at Hojai, Rs. 8-0-0 at Jorhat and Rs. 9-8-0 at Nowgong. (Prices per md.)

(vi) *Rice*: Rs. 16-12-0 at Tihu, Rs. 17-8-0 at Hojai, Rs. 19-0-0 at Dumdum. (Prices are per md.)

(vii) *Cotton:* Rs. 100-0-0 to 115-0-0 per maund without seeds and Rs. 58-0-0 to 65-0-0 per maund with seeds at Goalpara; Rs. 80-0-0 per maund unginned at Silchar, Rs. 90-0-0 per md. ginned and Rs. 25-0-0 per maund unginned at Karimganj.

[These prices have been obtained from Director of Statistics, Assam.]

PART II.

Q: 1. (a) Accurate information is not available and will have to be collected from the trading interest concerned. However, a very rough survey of commodities (on which O.R. rates are quoted at present) received at and despatched from Gauhati during October, 1946 and October, 1955 revealed the following:—

	October, 1946.		October, 1955.	
	at R.R./	at O.R.	at R.R./	at O.R.
Inward	70%	30%	46%	54%
Outward	38%	62%	40%	60%

It must however be stated here that this is a very rough estimate and since it gives a picture only at one station and for one particular month, it cannot be said to be at all representative.

(b) Generally commodities which merchants prefer to book at R.R. even though alternative owners Risk rate is available are:—

(a) Glassware.

(b) Silk.

(c) Scientific instruments.

(d) Machinery.

(e) Musical instruments.

(f) Woollen textiles.

(g) Fine varieties of cotton piece-goods.

(h) Spirits and wines.

(c) Information pertaining to pre-war period not being available, no remarks can be offered.

Q: 2. (a) Goods mentioned above, full pressed cotton consigned to textile mills and heavy machinery are, according to information available, some of the commodities which are generally insured.

(b & c) No information is available.

Q, 3. No information is available.

Q: 4, 5 & 6. To be replied by Railway Administrations.

Q: 7. (a) The amendment to the Act has certainly given greater protection to the merchants as negligence is easier to prove than misconduct. However, in effect at least so far as this area is concerned settlement of claims has on the whole been very unsatisfactory and inasmuch as the mercantile community cannot always take recourse to law, they cannot get full advantage of this clause. Actually a proviso regarding a target transit time is necessary and in this connection attention is invited to remarks against Questions 8-10.

(b) To be replied by Railway Administration. Here again since the total abolition of Owners Risk Rates is favoured by this Government, the question of narrowing down the difference between O.R. Rates and R.R. Rates does not arise.

Q: 8-10. Since as per current law the onus of proving negligence or misconduct is the only distinguishing feature between consignments booked at R.R. and O.R. Rates, OR rates should be done away with altogether both in respect of telescopic class rates and wagon load schedules. This will have the following advantages:—

(i) Partly recompensate the Railway Administration for the loss in revenues suffered due to concessions recommended elsewhere.

(ii) Make Railway Administration more alive to its responsiblity.

(iii) To remove the general prejudice amongst the public that O. R. rates are quoted with a view to disclaim the genuine responsibilities of the Railways.

It should also be laid down that the Railways will also be responsible for any (a) fall in market value (b) loss due to cancellation of contract (c) deterioration of contents arising out of delay in transit if the time taken in transit exceeds one day for every 20 miles in N.G., 30 miles in M.G. and 50 miles in B.G. with two days added for every transhipment/repacking point and wagon ferry crossings over and above these may be given two days for terminal detentions. This time will be for consignments booked at goods rates and for consignments booked at coaching rates, target transit time should be 40, 60, and 100 miles for N.G., M. G., and B.G., respectively with one additional day for every transhipment/repacking point, ferry crossing and terminal detentions.

It will be seen that the target time proposed is very liberal indeed. All the same it is necessary to curb the increasing phenomenon of unusual delays in transit resulting in loss to trading communities.

The Railways will, however, be free from liability if it is proved by them that the target time is exceeded due to factors beyond human control.

As regards transit time for livestock attention is invited to remarks offered against Q: 20 of Part I.

Q: 11. In case of "excepted articles" however, if the consignor refuses to pay percentage charge on value, he may be allowed to book the consignment at O. R. Rates i. e. in other words 'excepted articles' should be the only ones on which O. R. Rates may be allowed to continue in view of the extra precautions which the Railway has to take in carriage of these goods.

However, the tendency to include a very large number of items in the category of "excepted articles" should be curbed in view of this provision.

The only case where an item should be classed as an 'excepted article' is when it is extremely precious in regard to its value and rarity and is of a very fragile nature requiring extra care in handling. At present, it appears, there is a tendency to declare commodities as 'excepted' because they are of a 'vulnerable' type (*i. e.*, pilferages in their case are common) even though they do not satisfy the conditions of value, rarity or fragile nature. This tendency must be checked. In fact the feasibility of deleting the following items from the list of 'excepted articles' should be considered:—

1. Watches, Clocks and time pieces of any description.
2. Shawls.
3. Lace.

4. Opium.
5. Sandalwood oil.
6. Narcotic medicines and Drugs.
7. Photographic apparatus of non-breakable nature.
8. Pictures other than original works of Artists.
9. Camphor.

Also further addition to these list must be done only with the concurrence of the Rates Advisory Sub-Committee of the National Railway Users' Consultative Committee proposed in reply to Q: 12 of Part III.

Q: 12 & 13. Reply is in the negative.

Q: 14. The present position is considered to be satisfactory.

Q: 15. No comments to offer.

Q: 16. It is not known if the principal transport agents like Messrs.Balmer Lawrie, Thomas Cook etc., and the principal manufacturing interests in the country are consulted before making any changes in standard packing conditions. If not this should be done and any additions to compulsory packing conditions should be done in consultation with these interests.

Q: 17 (a & b). At present the policy is that Railways plan their goods shed and parcel shed accommodation to cater for stacking of inward commodities for the 'free' period. The present formulae for calculating this accommodation is considered to be adequate.

As regards accommodation for outward goods and parcels this should primarily be the responsibility of the Chambers of Commerce and Merchants' Associations, Co-operative Agricultural Marketing Societies and individual parties.

However, licensing of Railway lands and permission to build temporary structures thereon for this purpose should be given liberally.

Also, even though not directly concerned with the question under consideration it appears that there is adequate justification for increasing the 'free' time for wharfage in respect of inward consignments received at road side stations which serve a large hinterland with very poor transport and communication facilities. The consignees do not get timely intimation of receipt of the consignment and also it is difficult for them to arrange transport expeditiously particularly during monsoon seasons.

Most of the Roadside stations in Assam, excepting those in Cachar District, areas round Nowgong and stations between Tinsukia and Dibrugarh, fall in this category.

Q: 18 (a & b). The Railways' liability should be that of an insurer and not that of bailee, subject to the condition that if the loss or damage is due to natural and unforeseen calamities, the Railways would not be liable to pay any claim. Also in cases of 'excepted articles' the liabilities of Railways would be the same as at present.

Q: 19. This is a matter mainly for the Railways to deal with but the following remedies are suggested:—

(i) Better protection and lighting arrangements in goods and parcel sheds transhipment and repacking sheds and yards.

(ii) More effective security arrangements.

(iii) Greater use of Ellis Patent Locks and double rivets.

(iv) Armed escorts with goods trains at night through 'vulnerable' areas.

(v) In cases where coal is transhipped in considerable quantity, regular and surprise check on small factories and workshops, and shops selling domestic fuel in the neighbourhood, and forcing them to disclose the source from which they obtain the coal supplies.

(vi) Deterrent action should be taken against persons responsible for or suspected of frequent pilferage and thefts. Particularly in case of employees of the grade of Inspectors or above in security department if there has been a rise in yard and station thefts during the tenure of a particular person, this should itself constitute an adequate ground for his reduction.

(vii) Formation of a plaincloth detective organisation to cover markets and shops around big marshalling yards, transhipment sheds and goods sheds to detect cases of sale and purchase of stolen goods,

Q: 20. To be replied by the Railway Administration.

Q: 21. There is a general feeling, often true, that settlement of claims cases is very much delayed. Often correspondence is not attended to. With a view to curb this tendency it is suggested that a statement of cases not finalised within 6 months from the date the claim was first raised should be put up every year by the Railway Administration beforet he Zonal Users Consultative Committee giving reasons for non-finalisation.

Incidentally one of the reasons for this inordinate delay in settlement of claims is the fact this work is being done at Calcutta and Gorakhpur. Recently local claims upto Rs. 500 are being settled at Pandu but it is essential that this ceiling limit be raised to Rs. 5,000.

PART III

Q: 1. (a) In addition to the powers at present vested to Railway Rates Tribunal, it should also be given the powers of (a) bearing respresentations about adjustment of Terminal, wharfage, transhipment and short distance charges.

It should also have the powers to classify any commodity which has not been classified before on application by any party.

To increase or reduce the basis of class rates, schedule rates, terminal and other charges on application by any party.

(b) Since the Railway Rates Tribunal is a judicial body it is not considered desirable to allow it to initiate investigations for revision of freight rates on its own.

(c) Does not arise.

Q: 2. The power of lowering or increasing the basis of class rate as a whole should continue to vest in the Central Government and should be extended to the Tribunal also

as stated in reply to Q: 1 (a) above. The Tribunal will also have the right to review such a change in the bases of class rates and to annul them if it is not satisfied as to their necessity.

Q: 3. As regards reclassification of a commodity the existing procedure may continue, *i. e.*, the Tribunal alone should have power to reclassify a commodity. This is because while raising or lowering a class rate is dependent on a change in transport cost and other extraneous considerations and does not put a particular industry or a commodity at a loss, change in classification of a particular industry does. For an industry to obtain redress by appealing to Tribunal is an expensive process and this also is an inevitably lengthy process.

Thus an industry which has already been hit adversely by re-classification is further burdened with the expenditure of appealing to the Tribunal. In view of this the reclassification of a commodity, as distinct from a change in class rate should, it is felt, only be done in consultation with the Tribunal.

Q: 4. No remarks to offer.

Q: 5, 6 & 7. No information is available.

Q: 8. No remarks to offer.

Q: 9. The present number is adequate.

Q: 10. No remarks to offer.

Q: 11. Even now the determination of rates as such is done by the Railway Administration and the rates Tribunal only reviews representations against this. It has already been stated in reply to Q: 1 (b) that this Government does not favour initiation of investigations into freight rates by the Tribunal of its own accord.

Since determination of rates has not only to be considered from the point of view of the customers of the Railways but also from the cost of operation point of view, it is felt that the determination of rates as such should be left with the Railway Administration as hithertofore.

However, the various Railway Administrations and the Railway Board should be assisted in this matter by rate sub-committee of Zonal and National Railway Users' Consultative Committees.

Q: 12. Eventhough the Railway may be a State concern the existence of a judicial body like the Rates Tribunal will instil a sense of confidence amongst the various mercantile interests.

An advisory body will not carry the same confidence being devoid of powers. Nor is it desirable to give actual powers to any body consisting of mercantile and manufacturing interests, *i. e.*, of a non-judicial nature, as there is a possibility of such a body giving more importance to the interests of the Industries or Trade concerned than to maintaining the financial stability of the Railways.

However, formation of Rates Advisory Sub Committee of a purely advisory nature at Zonal and National level has already been suggested in reply to Q: 11.

APPENDIX I (Question Nos. 9 & 10 of Part I-A)

Commodity	Existing Rates			Proposed Rates		
	General classification		Wagon Load Scale	General classification		Wagon Load Scale
	R. R.	O. R.		R. R.	O. R.	
Common Salt, at present classified as Salt NOC.	2	Nil	WL/I	1	Nil	WL/D
Sugar	4	Nil	3	2	Nil	
K. Oil (at present classified under the head Petroleum & other hydrocarbon oils, non-dangerous).	5	3	Nil	3	2	WL/F or some other suitable scale keeping in mind transport costs. This particular wagon load scale should be made subject to maximum rate per md.
Cement–this relaxation should only be for (a) cement moving on Central or State Government account for projects forming part of 2nd Five Year Plan or Community Projects & consigned to Government Officials i/c of the project (b) for private sector industries set up under 2nd Five Year Plan for the period of 2nd Five Year Plan only (c) for labour housing schemes.	3	Nil	WL/E	3	Nil	WL/C with maximum rate so that no additional charges are levied for distances exceeding 50% above the existing lead for the whole country.
Certain coarse varieties of cotton piece-goods.	10	9	Nil	6	5	Nil
Iron & Steel Dvn. "B" (only) to be applicable under the same condition as in the case of cement.	4	Nil	3	4	—	Some suitable wagon load scale also taking into consideration transport costs with a maximum rate to be made applicable to this scale.
Bitumen, Tar Oil, Pitch, Road surface Dressings Liquid Tar. (To be applicable only when booked direct by manufacturers to Central and State Government Officials).	4	3	WL/F	2	2	WL/C

APPENDIX-II (Question No. 22 of Part I-A)

Commodity.	Rates on Road Transport.	Rates on Rail Transport.
Goods in bulk including all foodstuff irrespective of quantities and Forest produce.	Three pies per maund per mile.	This classification covers a large number of class rates. Further there are wagon load scales also. However, for (a) Grain and Pulses (b) sugar (c) Salt (d) Timber the following are the details of rates on the Railway. (a) Grain and Pulses Class I scale i.e., ·54 pie per maund per mile for the first 300 miles .45 pie per maund per mile for the next 300 miles and .34 pie per md. per mile for distances beyond subject to a maximum of Rs. 3/3/- per maund exclusive of terminal and transhipment charges. The wagon load scale for grain and pulses is WL/D i.e., ·38, .26 and .17 pie per maund per mile for the 1st 300, next 300 and distances thereafter subject to a maximum of Rs. 1/13/· per maund. (b) Sugar class IV rate is applicable *i e.*, ·69, .58 and ·46 pie per maund per mile respectively for each of the 3 legs subjcct to a maximum of Rs. 4/3/- per maund. For wagon load traffic class III telescopic rate is admissible *i.e.*, .64, .54 and .42 pie per md. per mile respectively for each of the 3 legs subject to a maximum of Rs. 3/13/- per md. (c) Salt. NOC class II rate is applicable *i.e.*, .59, .49, and .38 pie per md. per mile for each of the legs subject to a maximum of Rs. 3/8/- per maund. WagonLoad Scale for salt is WL/I *i e*. .43, .2 and .15 per md. per mile respectively for each leg. (d) Timber same as in case of salt in so far as telescopic class rate concerned. For wagon load scale, WL/E is applicable *i e*., .43, .21 and .15 pie per md. per mile respectivelyfor each leg.
Other Goods.	4 pies per maund per mile.	This is too wide a classification to quote corresponding rates on the Railway.
Furniture.	Re. 0/1/6/- per maund or per cubic foot per mile whichever is higher.	12th class of telescopic rate is applicable for furniture, NOC *i,e*., 1.22, 1.04 and ·82 pie per maund per mile respectively for each leg subject to a maximum of Rs. 7/6· per maund. For furniture (collapsible or unassembled, or steel furniture) 6th class rate i.e., .8, .68 and .54 pie per maund per mile respectively for each leg subject to a maximum of Rs. 4/14/- per maund is applicable.

APPENDIX-III (Question No. 22 of Part I-A.)

Comparative Freight Rates per maund for selected commodities by railways and river routes between selected stations. (Inclusive of terminal, ferry charges etc.)

Station		Commodity	Distance		Freight charges per md. by rail		Freight charges per md. by river
From	To		by rail	by river	Smalls	Wagon Load	
1	2	3	4	5	6	7	8
			Miles	Miles	Rs. a p.	Rs. a. p.	Rs. a. p.
Dhubri	Amingaon	Grain & Pulses	155	134	0—8–10 per md.	0—5–11 per md.	0—9—9 per md.
Dhubrighat	Amingaon-ghat	Sugar	,,	,,	0–10–11 ,,	0—9—3 ,,	0–12—2 ,,
		Cement	,,	,,	0–10—2 ,,	0—6—7 ,,	0–11—3 ,,
		Tea	,,	,,	1—0—1 ,,	0–15—2 ,,	1—2–11 ,,
		Jute, Pressed	,,	,,	0–13—3 ,,	0–12—6 ,,	1—2–11 ,,

APPENDIX III—(*concld*)

Station From	Station To	Commodity.	Distance by rail	Distance by river	Freight charges per md. by rail: Smalls	Freight charges per md. by rail: Wagon Load	Freight charges per md. by river
			Miles	Miles	Rs. a. p.	Rs. a. p.	Rs. a. p.
Dhubri	Tezpur	Grain & Pulses	225	236	0-12—3 per md.	0—8—2 per md.	0-13—2 per md
Dhubrighat	Tezpurghat	Sugar	,,	,,	0-15—2 ,,	0-13—0 ,,	1—0—6 ,,
		Cement	,,	,,	0-14—3 ,,	0—9—1 ,,	0-15—3 ,,
		Tea	,,	,,	1—6—9 ,,	1—5—1 ,,	1-10—1 ,,
		Jute, Pressed	,,	,,	1—2—7 ,,	1—1—2 ,,	1-10—1 ,,
,,	Gauhati						
	Gauhati-Bazarghat	Grain & Pulses	160	137	0-10—1 ,,	0—6—11 ,,	0—9—1 ,,
		Sugar	,,	,,	0-12—5 ,,	0-10—7 ,,	0-12—9 ,,
		Cement	,,	,,	0-11—7 ,,	0—7—8 ,,	...
		Tea	,,	,,	1—2—1 ,,	1—0—8 ,,	1—3—2 ,,
		Jute, Pressed	,,	,,	0-15—0 ,,	0-13—9 ,,	1—3—2 ,,
,,	Neamati						
	Neamatighat	Grain & Pulses	393	371	1—4—3 ,,	0-13—2 ,,	0-15—5 ,,
		Sugar	,,	,,	1—9—5 ,,	1—6—0 ,,	1—3—5 ,,
		Cement	,,	,,	1—7—9 ,,	0-14—0 ,,	1—2—2 ,,
		Tea	,,	,,	2—6—4 ,,	2—3—9 ,,	1-15—0 ,,
		Jute.	,,	,,	1-15—3 ,,	1-13—1 ,,	1-15—0 ,,
Gauhati	Tezpur						
Gauhatighat	Tezpurghat	Grain & Pulses	121	99	0—8—5 ,,	0—5-10 ,,	0—8—4 ,,
		Sugar	,,	,,	0-10—0 ,,	0—8—2 ,,	0-10—2 ,,
		Cement	,,	,,	0—9—0 ,,	0—6—5 ,,	0—9—6 ,,
		Tea	,,	,,	0-14—9 ,,	0-13—7 ,,	0-15—9 ,,
		Jute.	,,	,,	0-12—4 ,,	0-11—3 ,,	0-15—9 ,,
,,	Neamati						
	Neamatighat	Grain & Pulses	238	234	0-12-11 ,,	0—8—8 ,,	0-13—1 ,,
		Sugar	,,	,,	1—4—1 ,,	0-13-10 ,,	1—0—5 ,,
		Cement	,,	,,	0-15—1 ,,	0—9—8 ,,	0-15—3 ,,
		Tea	,,	,,	1—8—2 ,,	1—6—5 ,,	1-10—0 ,,
		Jute.	,,	,,	1—3—9 ,,	1—2—3 ,,	1-10—0 ,,

APPENDIX IV—A (Question No. 42 of Part I-A)

Statement showing Imports and Exports of Selected Commodities to and from Assam by Rail and River (in maunds).

A—IMPORTS

Commodity	By Rail: 1939—40	By Rail: 1946—47	By Rail: 1953—54	By River: 1949	By River: 1954
Cement ...	862424	335161 -61%	360387 -58%/+8%	677924	1052380 +55%
Salt ...	1289681	1442934 +12%	494707 -61%/-66%	1008406	662302 -34%
Sugar ...	475128	247099 -48%	524961 +10%/+113%	71826	550223 +666%
Iron & Steel ...	1266453	357167 -72%	903142 -29%/+153%	695550	1463923 +110%
Piece-goods ...	266435	174655 -35%	116560 -56%/-33%	201486	236211 +17%
Vegetableoils ...	152005	276841 +82%	289407 +90%/+5%	186300	—
Coal & Coke ...	33445580	3551189 -89%	1032625 -97%/-71%	1296354	515574 -60%
Grains, pulses & wheat flour ...	521063	446038 -14%	867160 +66%/+94%	549463	996271 +81%
Total of selected commodities ...	38278769	6831084 -82%	4588949 -88%/-33%	4687309	5786995 +24%
Total of selected commodities ... other than coal.	4833189	3279895 -32%	3556324 -26%/+9%	3390955	5271421 +16%

Note I: Figures of rail traffic have been obtained from the Commercial Office of the N.E. Railway, at Calcutta and for river borne traffic through Director of Statistics, Assam from I.G.N. and R.S.N. Co.

II (a) Figures below the 1946-47 and 1953-54 figures of rail traffic and 1954 figures of river traffic indicate percentage increase or decrease as compared to 1939-40 in case of rail traffic and 1949 in case of river traffic.

(b) In case of rail traffic for 1953-54, the first percentage below indicates position *vis-a-vis* 1939-40, and the second figure indicates position *vis-a-vis* 1946-47.

III While in case of rail borne traffic, a pre-war year, a pre-partition year and a post partition year after completion of the link has been taken, the corresponding years could not unfortunately be taken in case of river borne traffic as figures prior to 1948 are not available in the case.

APPENDIX IV—B (Question Nos. 2 and 42 of Part I—A.)

Statement showing Imports and Exports of Selected Commodities to and from Assam by Rail and River.

B—EXPORTS.

(In Maunds).

Commodity.	By Rail.			By River	
	1939—40	1946—47	1953—54	1949	1954
Jute ...	28,51,339	16,45,862 - 43%	31,82,288 +12%/+94%	15,64,555	21,93,997 + 40%
Kerosene oil ...	15,60,159	6,75,502 - 57%	3,36 100 - 79%/- 51%	Not transported by river.	
Tea ...	24,86,929	3,26,739 - 87%	31,00,569 +25%/+69%	46,11,013	49,40,925 + 7%
Timber ...	5,59,574	5,23,132 - 5%	5,67,391 +2%/+8%	72,251	87,076 +21%
Oil-seeds & oil-cakes ...	8,59.155	3,05,096 - 65%	3,62,999 - 58%/+20%	54,240	77,862 + 42%
Hides & skins ...	74,249	74,097 - 1%	17,689 - 77%/-76%	19,168	41,353 + 116%
Total exports of sleected commodities ...	90,91,405	35,50,428 - 61%	75,67,036 - 17%/+114%	63,21,227	73,41,218 + 16%
Total exports of selected commodities other than Kerosene oil ...	75,31,246	28,34,926 - 63%	72 30,936 - 4%/+158%	63,21,227	73,41,218 + 16%

Note:—Please see notes below Appendix IV-A.

APPENDIX—V (Question No. 22 of Part I—A.)

Statement showing Routes on which Privately owned Road Transport Services Operate in Assam.

	Route.	Mileage.
1.	Garubhasa-Kachugaon ...	18
2.	Gauhati-Barjar ...	13
3.	Kokrajhar to Datma *via* Fakiragram...	19
4.	Dhubri-Datma ...	48
5.	Tinsukia-Margherita-Lekhapani-Tirap.	40
6.	Dibrugarh-Joypur *via* Tippling and Naharkatiya ...	36
7.	Moran-Naharkatiya ...	36
8.	Dibrugarh-Belbari-Hatiali ...	16
9.	Jorhat-Titabar ...	14
10.	Amguri-Sibsagar *via* Namtidol ...	20
11.	Golaghat-Murphulani via MurphulaniAli	13
12.	Golabilghat-Golaghat *via* Mohura and Khoomtai Ali ...	19
13.	Golaghat-Salikihat *via* Athgaon Ali ...	11
14.	Jonegaon-Demow-Kharahat ...	10
15.	Dillighat-Borhat-Sonari ...	23
16.	Jorhat-Neamati *via* Charigaon ...	10
17.	Jorhat-Dorholla *via* Noali ...	25
18.	Bokakhat-Dhansirimukh ...	6
19.	Golaghat-Dakhimhengera *via* Kamarbandha ...	6

20.	Jorhat-Dakhimhengera *via* Kamarbandha ...	12
21.	Doomdooma-Philobari ...	15
22.	Golaghat-Furkating ...	4
23.	Golaghat-Jamguri ...	16
24.	Golaghat-Barpathar ...	14
25.	Saikhowa-Dirokmukh ...	17
26.	Shillong-Jowai (Public carrier) ...	41
27.	Contract carriages (used on contract basis only) ...	
28.	Phulbari-Medhiphara ...	
29.	Mangaldoi-Kharupatia ...	
30.	Golaghat-Okha ...	
31.	Tengakhat-Bardubi-Tinsukia ...	
32.	Dibrugarh-Mohanbari ...	
33.	Shillong-Tamabil Road ...	
34.	Shillong-Cherrapunjee ...	
35.	Shillong-Mawphlang ...	
36.	Shillong-Umtyngar ...	
37.	Shillong-Town Buses ...	
38	Shillong-City Buses ...	
39.	Shillong-Town-Public Carrier ...	
40.	Motor Cabs (Shillong Town) ...	
41.	Motor Cabs (Shillong Town–Mawphlang) ...	
42.	Gauhati-Pandu-Dhupdhara ...	50
43.	Gauhati-Pandu-Goalpara ...	91
44.	Gauhati-Pandu-Nowgong ...	75
45.	North Gauhati-Mangaldai ...	33
46.	North Gauhati-Nalbari ...	33
47.	North Gauhati-Hajo ...	15
48.	Barpeta-Barpeta Road Station ...	12
49.	Barpeta Town-Pattacharkuchi ...	27
50.	Rangiya-Darranga Mela ...	32
51.	Barpeta-Sarbhog ...	16
52.	do -Sarupeta ...	14
53.	Nowgong-Kampur-Daboka ...	43
54.	Nowgong-Silghat ...	36
55.	do -Jorhat ...	113
56.	do Hojai-Lanka ...	69
57.	Nowgong-Mo[illegible]igaon ...	36
58.	do Chaparmukh ...	16
59.	Nowgong-Bamuni-Kathiatoli-Daboka.	29
60.	Nowgong-Lawkhowa ...	14
61.	Dhubri-Bilasipara-Fakiragram-Kokrajhar-Chapar ...	91
62.	Dhubri-Tamarhat-Gossaigaon ...	42
63.	Bongaigaon-Abhayapuri-Jogighopa-Chapar. ...	59
64.	Goalpara-Dhupdhara-Lakhipur ...	92
65.	Kokrajhar-Kachugaon-Saralpara ...	56
66.	Dhubri-Goalpara-Baxirghat ...	34
67.	Dhubri-Bagribari-Jaimahat ...	53
68.	Tura-Mankachar ...	32
69.	Tura-Dalu ...	33
70.	Mankachar-Fakirganj ...	43
71.	Dalu-Bagmara ...	32
72.	Mankachar-Mahendraganj ...	18
73.	Tura-Fulbari-Lakhipur ...	79
74.	(I) Casual Contract carriage ...	
75.	(II) Motor Cabs (Taxis) ...	
76.	North Lakhimpur-Kamalabari-Chaldhowa-Badati-Howajan ...	86
77.	North Lakhimpur-Chaldhowa ...	23
78.	North Lakhimpur-Bihp[illegible]ria ...	21
79.	Tezpur-North Lakhimpur ...	128
80.	Tezpur-Howajan ...	92
81.	Tezpur-Mangaldai with branches to Kharupetia-Mazbat	67
82.	Tezpur-North Gauhati ...	95
83.	Tezpur-Balipara-Rangapara ...	22
84.	Rangapara North-North Lakhimpur ...	120
85.	Tezpur-Charduar-Lokra ...	22
86.	Dhekiajuli-Dhekiajuli Road ...	7
87.	Mangaldai-Tangla-Bhutiachang ...	30
88.	North Lakhimpur-Gomirighat ...	60
89.	Rowta Bagan-Mangaldai ...	29
90.	Panpur-Bakola-Biswanathghat ...	24
91.	Public carrier ...	
92.	Casual contract carriage ...	
93.	Motor Cabs (Taxis) ...	
94.	Dibrugarh-Sibsagar ...	50
95.	Dibrugarh-Moran ...	25
96.	do Romai ...	14
97.	do Tinsukia ...	30
98.	Tinsukia-Doom Dooma ...	15
99.	Doom-Dooma-Saikhowa ...	10
100.	Dibrugarh-Bardubi ...	30
101.	do. Tengakhat ...	19
102.	Tinsukia-Barduli ...	9
103.	Khowang-Bamunbari ...	10
104.	Dibrugarh-Doom-Dooma ...	45
105.	Dibrugarh-Charali ...	23
106.	Jorhat-Sibsagar ...	34
107.	do. Nowgong ...	114
108.	do. Mariani ...	11
109.	do. Kakilamukh ...	7
110.	Kakilamukh-Mariani ...	18
111.	Jorhat-Dergaon ...	16
112.	Dergaon-Golaghat ...	14
113.	Jorhat-Golaghat *via* Titabar ...	32
114.	Jorhat-Golaghat *via* Dergaon ...	28
115.	Jorhat-Bokakhat ...	41
116.	Bokakhat-Golaghat *via* Dergaon ...	40
117.	Bokakhat-Golaghat *via* Dhodarali ...	26
118.	Bokakhat-Golaghat-Furkating *via* Dhodarali ...	35
119.	Bokakhat-Furkating *via* Dergaon ...	45
120.	Bhoja-Sonari-Sibsagar ...	28
121.	Amguri-Sibsagar ...	20
122.	Jorhat-Titabar *via* Mariani to Duflating Village ...	25
123.	Jorhat-Jhansi	17
124.	Golaghat-Dimapur ...	55
125.	Jorhat-Neamati ...	11
126.	Sibsagar-Desangmukh ...	9
127.	Dibrugarh-Rangapara-Tinsukia ...	35
128.	Numaligarh-Doygroong.Golaghat ...	24
129.	Sibsagar-Moran ...	25
130.	Dibrugarh-Khowang ...	17
131.	Jorhat-Garali-Titabar Charali to Borholla ...	26
132.	Jorhat-Se, enghat *via* Debrapara-Mariani ...	24
133.	Sibsagar-Geleki *via* Nazira and Amgurighat ...	24
134.	Sibsagar-Lakhowa *via* Rajgarali ...	18
135.	Baruabi-Tinsukia ...	9
136.	Margherita-Lekhapani ...	10
137.	Town (Bus) ...	
138.	Public Carrier ...	
139.	Casual contract carriage ...	
140.	Motor Cabs (Taxis) ...	
141.	Karimganj ...	
142.	Patherkandi-Bazaricherra. ...	
143.	Silchar-Hailakandi ...	
144.	do. Lakhipur ...	
145.	do. Sonai ...	
146.	do. Kabuganj ...	
147.	do. Kumbhir ...	
148.	do. Kalain ...	
149.	Hailakandi-Kukicherra ...	
150.	Anipur-Monacherra-Hailakandi ...	
151.	Silchar-Karimganj ...	
152.	Dullabcherra-Karimganj ...	
153.	Sutharkandi-Kukithal ...	
154.	Hailakand -Badarpur ...	
155.	Public carrier ...	
156.	Casual contract carriage ...	
157.	Motor Cabs (Taxis) ...	
158.	Shillong-Cherra Road Public carrier —	
159.	Shillong-Mawphlang Road Public Carrier ...	
160.	City Bus ...	
161.	North Gauhati-Goreswar ...	
162.	Barpeta-Barpeta Road Station-Bashbari ...	

	Route	Mileage.
163.	Barpeta-Patacherkuchi-Anchali ...	
164.	North Gauhati - Nalbari-Patacherkuchi *via* Barma ...	
165.	Bongaigaon - Abhayapuri - Jogighopa - Chapar-Basugaon ...	
166.	Kokrajhar - Kachugaon - Saralpara Hatisar ...	
167.	Lakhipur-Goalpara-Dhupdara-Damara-Nagerbara *via* Rangjuli ...	
168.	Dhubri-Garubhasa ...	
169.	Kokrajhar-Dhubri ...	
170.	North Gauhati-Barpeta ...	90
171.	Nowgong-Bamuni-Chapanala Longseng	28
172.	Lakhipur-Goalpara ...	30
173.	Dhubri-Jogighopa ...	71
179.	Palashbari-Barduar *via* Loharghat ...	18
180.	Rani - Kahikuchi - Charali-Pandu Gauhati - Sonapur - Mohara ...	30
181.	Mangaldai-Dalgaon ...	15
182.	Soalkuchi-Singimari ...	8
183	Phulbari-Tura ...	48
184.	Nowgong-Dhing-Bhuragaon ...	20
185.	Patacharkuchi.Nityananda ...	6
187.	Barpeta-Darranga ...	82
188	Bilashipara-Fakiragram *via* Kokrajhar-Garubhasa - Patgaon Serfenguri-Sankosh-Datma-Fakiragram ...	77
189.	Dhubri-Basbari *via* Gauripur and Dhubri to Patamari ...	28
190.	Abhayapuri - Bongaigaon - Chapaguri-Sidli-Basugaon-Tulgari-Chapar ...	67
191.	Nowgong - Kampur - Daboka-Hojai-Murajhar ...	44
192.	Nowgong-Hojai-Lanka-Murajhar ...	47
193.	Nowgong-Bamuni-Kathiatoli-Daboka-Murajhar ...	38
194.	Tura-Mankachar ...	
195.	Tura-Dalu ...	
196	Mankachar-Fakirganj ...	
197.	Patacharkuchi-Sarthebari ...	
198.	Contract Carriage (Baby taxis) ...	
199.	Contract Carriages (Buses) ...	
200.	Khowanghat-Holloguri *via* Lengri and Bhaman ...	14
201.	Dibrugarh-Jogai *via* Mancotta ...	9
202.	Tiusukia-Tiplinghat ...	20
203.	Golaghat-Badulipar *via* Khomtai ...	16
204.	Golaghat-Okha-Meraphani ...	16
205.	Golaghat-Binkhowaghat *via* Barkotonee ...	14
206.	Sibsagar-Sabrajhat *via* Dhodarali ...	28
207.	Kamalabari-Badati ...	16
208.	Sibsagar-Nazira *via* Namti Chariali ...	17
209.	Sibsagar-Baliaghat *via* Texiali ...	16
210.	Sibsagar-Patsaku *via* Sunpura ...	16
211.	Joypur-Namrup-Tinkhong-Rajgarah ...	30
212.	Golaghat-Barpathar-Sarupathar ...	25
213.	Contract Carriages (Taxis) ...	
214.	Public Carriers upto Smit ...	
215	Kalain-Jalalpur ...	
216.	Anipur-Dullavcherra ...	
217.	Kukithal-Maniknagar ...	
218.	City Buses ...	

APPENDIX VI.

(Question No. 4 of Part I-B.)

PRODUCTION OF IMPORTANT CROPS IN ASSAM.

Production of important crops	1949—50	1950—51	1951—52	1952—53	1953—54
	Production in tons	Production in tons	Production in tons	Production in tons	Production in tons
(1)	(2)	(3)	(4)	(5)	(6)
CEREALS					
1. Autumn Rice ...	366,800	301,400	252,683	290,457	825,022
2. Winter „ ...	1,368,300	1,103,600	1,353,286	1,360,088	1,324,254
3. Spring „ ...	13,400	2,500	2,635	3,025	5,633
4. Maizu ...	10,116	11,273	7,860	8,042	9,465
5. Wheat ...	718	1,043	1,674	2,053	1,735
6. Other Cereals & Millets ...	1,197	1,154	1,073	2,570	1,808
PULSES					
7. Gram ...	1,217	1,540	2,422	1,693	1,684
8. Tur ...	851	3,280	1,107	1,013	2,672
9. Other Rabi Pulses ...	35,732	24,180	24,407	21,161	2,5960
OIL SEEDS					
10. Linseed ...	385	453	596	333	403
11. Sesamum ...	...	3,115	1,743	2,569	2,459
12. Rape and Mustard ...	58,700	54,560	51,356	44,903	44,885
13. Castor ...	311	377	385	471	575
FIBRES					
14. Jute (in bales of 400 lbs. each.) ...	634,200 bales	790,200 bales	753,545 bales	912,287 bales	901,612 bales
15. Cotton (in bales of 392 lbs. each.)	9,300 bales	11,880 bales	13,920 bales	17,151 bales	19,430 bales
MISCELLANEOUS					
16. Sugarcane (gur) ...	69,600	68,000	65,513	75,985	61,926
17. Potato ...	129,900	124,300	122,133	142,853	159,951
18. Tea ...	140,300	145,429	151 929	147,475	141,444
19. Tobacco ...	8,000	9,150	5,172	6,791	7,146

BHOPAL

Government of Bhopal,

Revenue Department.

Bhopal.

PART I-A.

Note:—The replies to the questionnaire only relate to Timber and other forest produce transported from Bhopal State.

Q: I. (a & b) The adoption of revised general classification of goods in 1948 has been beneficial to the timber and other forest produce trade.

(c) No adverse effect with regard to the transport of Timber and other forest produce.

Q: 2. (a) Yes.

(b) No comments.

Q: 3. (i) The number of class rates and wagon-load scales at present prescribed is adequate and the different class rates and wagon-load scales are appropriate in relation to one another. The classification of different forest produce in the wagon load scales appears defective and impractical and unremunerative viz., Bamboo has been classed in WL/CR whereas it should be classed in WL/C. (vide Annexure I). Side planks or Baglis or Farras are classed in WL/E whereas they should be classed in WL/C.

(ii) (a) Yes.

(ii) (b) The rate per mile under each 'leg' is appropriate in itself and in relation to other legs.

Q: 4. To seek uniformity the maximum rate in all wagon load scales should be prescribed.

Q: 5. No comments.

Q: 6. In view of the proposed metric system it is advisable to take kilometer as unit.

Q: 7 & 8 No comments.

Q: 9. All the timber should be classified under WL/E in wagon load scales and Bamboos, Firewood, and sideplanks and charcoal should be classed in WL/C with rates of charcoal slightly more than firewood and bamboos.

Q: 10. No comments.

Q: 11. No suggestions.

Q: 12. It does not need any revision.

Q: 13 (a) Needs no revision.

(b) No.

Q: 14. Does not arise in case of timber and forest products. Hence no comments.

Q: 15. No question arises in cases of timber and forest products for any revision in existing system.

Q: 16 (i). The existing "W" condition in case of bamboos is high. It should be brought down to 250 maunds. With regards to other it is alright.

(ii) Does not arise in case of timber and forest products.

(iii) Yes, this reduction in the freight rates for quantities loaded beyond the minimum weights per wagon (W Conditions) will encourage considerably loading upto the fullest extent the wagon actually supplied can hold. Again it is suggested that the proposed reduction should be telescopic for the maximum benefit to the railways.

Q: 17. It is not feasible in case of timber and forest products.

Q: 18. Yes, there should be additional charges to encourage quick delivery of materials.

Q: 19. Does not arise in case of timber and forest products.

Q: 20. Does not arise.

Q: 21. Does not arise in case of timber and forest produce. They are generally transported for long distances.

Q: 22. Question does not arise; vide Q: 21.

Q: 23. Timber so badly required for development works, charcoal and firewood essential commodities for population should be pooled together with other commodities essentially needed and freight pool be formed on All-India Basis. Minimum distance for such traffic has to be fixed. Yes, together with Timber, Charcoal and firewood.

Q: 24. Does not arise.

Q: 25. Agency properly represented by railway and the industries should be in freight pool committees.

Q. 26. The freight structure be so adjusted that timber so essentially needed is given priority at minimum freight rate.

Q: 27. No such cases.

Q: 28. No such contingency arose in case of timber and other forest products.

Q: 29. The telescopic rates had favourable effect on timber and forest produce trade generally.

Q: 30. This is not necessary.

Q: 31. No comments.

Q: 32. No.

Q: 33. Does not arise in case of timber and other forest products.

Q: 34. No.

Q: 35 & 36. No comments.

Q: 37. In the cases where timber is utilisedfor the cottage industries to give incentive and encouragement, freights in such cases ought to be low by proper specifications by proper grouping.

Q: 38. No comments.

Q: 39. Does not arise in case of timber and other forest products.

Q: 40. Does not arise in our case.

Q: 41. Freight rates should be stable subject to review, on commodities according to the market trend and competition, once in every five years.

Q: 42. Owing to the Five Year Plan there has been more quantity, more frequency and wide range in the movement of forest products and timber.

Q: 43. It has not affected the location of timber and other forest products trade but it has influenced the furtherance of trade.

Q: 44. It is generally for destination but according to circumstances it is according to F. O, R. forwarding station also.

(a) This is always subject to fluctuation according to market trend and competition.

(b, c & d) No such figures are available as they are not maintained by us.

Q: 45, 46 & 47. Does not arise in our case.

Q: 48 to 53. No comments.

Q: 54 No

Q: 55. As decimal coinage system and metric system in distance and weight are to be adopted shortly, it is advisable to adopt new freight rate structure taking into consideration the changes envisaged.

BIHAR

Government of Bihar

Public Works Department

(Buildings and Roads.)

Bihar.

PART I-A

Q: 1. Questions 9 & 10 also are linked with this question. The adoption in 1948 of the principle of telescopic rate on continuous mileage over different railways has on the whole led to uniformity and convenience. The revised classification, however has adversely affected the oil crushing industry of Bihar and also the jute growers. Bihar imports most of the oilseeds from other States and previously the freight for oilseeds was less than that for oils and the oil industry in Bihar, therefore, could import oilseeds and still produce oil at competitive rates. The revised classification has put oilseeds and oil in the same freight rate class and this has badly affected the oil industry of Bihar. Similarly according to the revised classification the freight of jute rose much higher than before. As a fair proportion of the jute grown in Bihar is sent to the mills in and around Calcutta, the growers have naturally suffered very much due to this increase in freight. There is a clear case, in the interest of not only the jute growers of Bihar but also the jute industry, for lowering the freight rate for jute.

Q: 14. To avoid duplication of services both by goods and parcels trains, the minimum weight may be raised so that the "smalls" consignment, which may conveniently be carried by parcels, need not be carried by goods trains.

Q: 20. The freight charge for transport of animals is very high and it will be helpful if the freight is reduced and also better conditions are provided for transport of animals.

Q: 23. The adoption of a freight pool to keep the freight rates fairly uniform irrespective of distance will affect different parts of the country differently. While the producing States will lose under this system, the consuming States will gain. The adoption of a freight pool for coal, iron and steel will encourage the development of heavy industries in areas which are comparatively distant from the sources of supply and this will not only impose an intolerable strain on the railway system but will also militate against development of industries on a sound basis. The State of Bihar, in particular will be very adversely affected by any such development.

Q: 24. The uniform pool freight on all raw jute brought to Calcutta should be adopted. This will help the jute industry in general and the growers of jute in Bihar in particular.

Q: 25. The freight pool should be worked by an appropriate Government agency.

Q: 26. The freight structure should be revised to suit the needs of a developing economy and to help a successful implementation of the Second Five Year Plan.

Q: 29. This has already been, more or less covered in Q: 1, 9 & 10.

Q: 33. This does not exactly concern the Development (Agriculture) Department. There need be no distinction in the fixation of freight rates between the requirements of industries already established and those newly planned.

Q: 34. Because of the increased cost of materials and labour, charges may be recovered on the basis of inflated mileage for new lines required to be constructed in under-developed areas.

Q: 37. The railway freight structure should be utilised to assist development of village and cottage industries in the Second Five Yeer Plan by providing reduced rates.

BOMBAY

The Chairman, Municipal Corporation of Greater Bombay, Bombay.

GENERAL

I have, by desire of the Municipal Corporation of Greater Bombay, to state that the Corporation have carefully considered the Questionnaire and find that it is meant primarily for Industries and Trade. The Corporation are interested only as consumers of Cast Iron Pipes, Cement, etc., required for water supply and drainage works and as such would like to bring to the notice of the Committee that Bombay is one of the most hygienically developed areas in India. However, since the merger of the suburbs, there are vast undeveloped tracts calling for the attention of the Corporation who are one of the most important consumers of goods, like, Cast Iron Pipes, etc., manufactured at Kulti and unless the freight charges from Kulti to Bombay on these goods are reduced to the 1952 freight level of Rs. 38 per ton, the Corporation will not be able to expeditiously develop the vast suburban tracts and render efficient health, sanitation and water supply services to the City. I am to request that this fact may be brought home to the Committee.

Bombay Village Industries Board, Bombay.

GENERAL

The following views of the Board are placed for developing the Village Industries in relation to Railway Freight Structure. Village Industries depend largely upon transportation of raw materials and equipment that are not available in the vicinity of production. Also for transhipment to marketing areas goods are transported from one place to another. In Bombay State, the villages do not possess goods transportable roads, still less navigable rivers. Railway routes cover far wide lengthwise and breadthwise, but they only touch fringe of the portion of villages. Naturally, the means of transport used in transhipment of production of rural industries vary greatly from centre to centre.

Purpose for revision of freight rates.—Railways carry today most of the industrial and agricultural products for inter-state marketing and inter-marketing. With the rapid growth of different industries, railways' movements have increased, and to cope up with the day today growing traffic, railways have revised the freight and passenger traffic rates during last ten years.

Problems by revision of rates.—This revision has created certain problems which are closely related to the expansion of village industries. Other Industrial private sectors have also bitterly complained of the increase in freight rates. The problems of village industries are quite different from other factory industries and it may be emphatically stated that there is a positive case for re-examining the present freight rates vis-a-vis the incidence of railway freight rates borne by village industries.

Peculiar conditions for developing the village industries.—This was a neglected sector for centuries so far which was also under-developed. They are now to be so developed that they should work satisfactorily even facing the modern large-scale industries. Their growth is to be so controlled that it will harmonise with different sections of trade without conflict. So the problems of expanding the village industries cannot be attempted on a piece-meal basis. Transportation by rail from place to place is a basis for localisation of industries and consumption of various goods. Many industries have flourished and many have vanished due to the mode of transport. Transport rates play a prominent part in this respect. Rural Industries suffer from the high rates. On the one hand it increases the cost of the product and on the other it lessens the compatibility of the products in the market. So the Committee should examine the point from the consumption and requirement of the development of various village industries.

Nature of consumption and survival of village industries is described below:—

The goods of village industries have generally been consumed by local consumers and the surplus goes to nearby towns and to the places where there is demand.

Also some of the rural and cottage industries which are indispensable to the citizens such as village pottery etc. today command a strong local demand. The residue remains after meeting the needs of rural areas go to nearby cities either by sea, rail or road throughout the Bombay State.

There are different patterns of marketing of village industries. Most of the surplus goods are unsaleable in rural areas and they go to periodic fairs and mandies by head loads and bullock carts whichever are convenient. Commodities which have got an appreciable demand go out by rail and road, here they find competition, and often they cannot find market due to cheaper transport facility. Today, the following commodities move in and out of Bombay State by rail:—

Oil-seeds, handpounded rice, oils, honey, Khadi etc.

Need for removing disabilities experienced by village industries by way of concessionary treatments by railways.

Concessionary treatment by railway is necessary for expandinig the industry much more to foster their growth in harmony with various other sectors of productive economy. Unlike Nation Tariff duties, we are not asking for protecting the weak and incompetitive industries.

Considering all the aspects, village industries should be given a discriminatory treatment for some reasonable period. This may be in way of railway freight rates, priorities, packing conditions etc.

Difference in cost of production between factory and cottage industries.

The margin between the two may be wide and this is due to the raw products and modern technique employed by the former. The prevailing differentiation in costs of production determines the nature of demand for both types of products. Ultimately this acts as a deciding factor in determining the marketing of these products in outlying areas. Any concession in railway freight will bring down the cost of production and will help the producers to seek market at a reasonable distance at a reasonable price.

A reduction in freight rate will also serve the dual purpose. Existing railway rates bank heavily upon the final prices charged to the consumers. A reduction in freight rate will remove this.

Incidence of Freight rates and other charges levied by railways.

In the movement of these village industries products, the traders have to pay in addition a surcharge on 'smalls' which is at present being levied (since 1955 April.) at the rate of 6¼%. The surcharge is levied on all the articles weight of which is less than 20 maunds. The additional freight that is for each consignment is from Re. 1 to Rs. 1-8-0 which depends on various commodities. The village producers, unlike large scale industries send the goods in small bulks. Naturally this incidence hit these producers, whose despatches will always go mostly to nearby distances. The main aim in levying this surcharge is to discourage uneconomical movement of commodities in 'smalls' where they can be tended to move in wagon loads. Though this has been made in the interest of Railway operations, they definitely affect the village industries goods *vis-a-vis* a large scale production by mills and factories. This, coupled with extra expenditure on packing (due to rigid conditions) and handling charges bears heavily on the scarce resources of our products. Any concession on the above will be a boon and a great relief to the artisan by making him more competitive in releasing his resources for the well-being of this country.

At the outset, concessions offered by railways to village industries is enumerated below before dealing with the specific reliefs needed by village industries.

The village industries products are treated on par with those of large-scale industries. Only Khaddar products are treated concessionary which are charged at piece-goods pressed packages rates, though they are unpressed packages on which rates are charged at a slightly higher rate. The village industry products are also considered at par in respect of priorities, which also affects the producer much as he is hard pressed and badly in need of money, whereas he has to wait for this due to booking not available early.

The reduction is hardly to the extent of 25% for Khadi but the same is enjoyed by mill- made cloths also.

Packing conditions: In the interest of transporting the consignments without damage or deterioration or pilferage, in any way without loss to the consignee or the consignor the packing conditions are desirable and in the case of inflamable articles like matches, they must be obligatory. A detailed study of packing conditions revealed that some of the materials mentioned therein will not be made available in villages but most of the producers will have to import these from nearby towns or industrial centres. At present, the non-compliance of these packing conditions result in non-acceptance or refusal of liability of goods carriage by railway authority. This again entails much delay and affects the producer in releasing from his hard earned labour.

Packing materials: Industry for supplying these materials has not been well developed in rural areas. We therefore feel that heavy burden for getting the materials for packing will fall more on the rural industries than on the factory industries. The burden will be lessened by relaxing some of the packing conditions and by reduction in freight rates.

Case of village industries: In case of oil industries, the Oil seeds move between 25 and 1000 miles and in the absence of low rates of traffic, the cost of production of edible oils and non-edible oils crushed by the ghanis increases out of proportion.

Reliance on transport for achieving decentralisation.

The decentralisation basis of village industries mainly rely on means of transportation. Decentralisation will ensure constant demand and lessen factory competition and in order to achieve this, concession in freight rate will help a great deal. The Board feels that the Railways have a vital role to play in developing village industries, and a concessionary treatment to this part of industry in the interest of general public is essential.

Khadi: Production of Khadi requires yarn and raw cotton. In production of cotton, certain climatic, geographical and soil conditions are necessary. There are deficit areas where such conditions are absent. To such areas, yarn and cotton are to be exported. The distance to which the cotton moves is between 15 miles to 600 miles by railways. Special concession be given for movement of cotton.

Honey: About 25% of honey may be moving by rail. When tins or bottles of honey are to be sent, they are to be enclosed in wooden or metal cases, which increases the cost for marketing. Movement of honey by rail can increase if insurance facilities are given. It will be safer for wholesaler, dealer and producer, to prevent their losses and getting the claims quicker in cases of leakage,

shortage. damage or deterioration of their goods. The same rates should be made applicable as for pottery industry.

Khandsary sugar and jaggery: They are locally consumed generally but for extra production which may increase in the next Five Year Plan, packing conditions may not be too rigid as at present for wagon loads.

Matches: No information exists as regards extent of movement but since the Five Year Plan contemplates, setting up of 'D' class factories movement of these will require heavy transportation. Any reduction in freight rate will help the cottage industries to compete the large-scale factory made matches. Also empty match boxes are charged under class 4 which is the medium rate of all classes which should be lowered. Match fuzes are to be packed in metal lined cases and charged under class 15 which is the highest of all the class. So they may be charged at a lower rate and also packing conditions may be reduced. Also there is one condition of freight to be paid in advance. Facilities for allowing the matches to be booked at "to pay" Railway Receipts may be allowed to be made by the consignor as most of the traders in village industries have to bear the expenses of Railway freight and the people of the rural areas cannot bear the additional burden of sending the goods pre-paid on Railway. This industry will be in the initial stage in the Second Five Year Plan and special preference in reduction of rate may be given.

Paper: For moving the raw materials, the concession which paper mills get on account of 'mill rate' should also be given to small scale and hand-made paper units. This will help the cottage industries to cut down high cost of production. For high grade and utility papers, major portion of this is likely to go to local consumption and some part will be absorbed by Government offices. Though it is not likely to have any appreciable increase in the movement but the places where there are no bamboo forests and raw materials for paper production, papers from one place to another where there is deficit may move and the raw materials required for paper may also be transported. Though raw materials for papers are charged under class 1 which is the lowest, but in wagon loads and smalls it is charged under WL/C & WL/CR for owners' risk and railway risk (page 17 of questionnaire). It is, therefore, higher and railways should lower the freight rates.

Village Oil Industry: Ghani edible oil crushed from the various oil seeds such as groundnut, rape, mustard and linseed is in use with varying intensity in different parts of the State. The oil seeds required by ghanis for crushing the edible oils are unevenly distributed in relation to ghanis. Since the consumption regarding the use of edible oils differs from place to place, the oils are necessarily to be transported to various marketing centres according to their demands.

For the movement of oils under class 4 the rates are heavy and there is differentiation in prices throughout the State.

From the movement of oilseeds required for ghanis and the severe competition of oil mills, it is apparent that railway freight tells heavily on the sales of oil seeds and oils also. The rates are charged at H class which are very heavy for wagon loads and as much of the oil seeds move in wagon load concession may be given.

Hand pounded rice: Bombay State has a vast production of paddy and much of the rice is exported to different deficit States and also within the State. It is necessary therefore that railway freight which is charged at D class may be further reduced. Similarly for paddy, as the railway freight for the carriage of rice in husks naturally enters into the final sale value of hand pounded of rice.

Leather Industry: The hides and skins required by the leather industry are mostly supplied from local sources, only the leather manufactured products like footwear require some transportation. But the demand for the village leather products and the extent of the movement are not exactly known. A reduction in freight rate will undoubtedly help the artisans to use better methods of packing and will be an incentive for production which will indirectly help to retain the support for village industries products.

Extent of concession required:—The Board contemplates that the reduction in Railway freight rate may be given by 50%. This is a rough tentative estimate of our requirements, but this will help in the first instance (1) to market the goods at a reasonable rate and (2) to market in good quality and within a reasonable time. If Railway authorities can further consider a proposal of giving 75% reduction in the rates the same may help to develop the industries to a great extent.

Effects of concession on village industries:—

(1) Economic advantage to village industries products.

(2) Social benefits will be derived by (i) Producer (ii) Wholesaler (iii) Distributor and (iv) consumers.

By reduction of railway rates (1) Producers will be at an advantage as they will increase their competitive ability on marketing centres. (2) It will release the capital resources for betterment of development which are otherwise blocked in meeting the Railway expense and not getting the booking at an appropriate time in the seasons for the various industries (3) Widening the range of market for various village industries and (4) Introducing better techniques for improving the quality.

Consumer:—He will be having qualitative goods at a better and reasonable price of his liking which at certain parts of the country are not able to move due to heavy cost of transport.

Distributor:—He can canvass for the sale of these products with more zeal and enthusiasm.

As he will have to pay the freight less, he will sell these products more and expand the marketing areas. Increase in demand for products will help the distributor in placing huge orders with the producer.

General effects:—Decrease in freight will also augment the national dividend of production. It will also serve as a stimulant for developing the village industries. There will be immense benefits in terms of economic and social values for the national economy.

Likely effect of concession on Railway Revenues:—

If we evaluate this in terms of increase in transportation and increase in revenue, the loss will counterbalance. Secondly, the development of village industries will increase the additional employment and income to those engaged in subsidiary industries and will in turn increase the revenue of railways. So total revenue will remain unaltered. This decrease in freight rates may be seen with wider perspective as stated above

If we refer the Goods Tariff, it is evident that the major industries like coal, iron and steel, ores etc., are charged at class 1 rate which is the lowest. This may be due to the above being 'basic' industrial commodities. So the same principle should be applied to village industries. In this connection, the reference is invited to Taxation Enquiry Commission's report which reads as under:—

"Railways are no doubt a commercial concern, but they are barely a commercial concern in the conventional sense. As a State undertaking, they owe to the public, to provide transport at the cheapest rates consistent with the maintenance of their financial solvency and providing means for their development."—Vol. I, Report of Taxation Enquiry Commission."

Keeping the above views, we feel no better field can be found to progress the sector of rural industries to effect in practice except by having concessionary treatment by Railways. It will also help to have a common price production as envisaged by the All India Khadi and Village Industries Board, Ministry of Production, Government of India. This will also lessen the range of markets.

Priorities:—As the Government departments are given priorities for booking their goods and also the local bodies, similarly the institutions subsidised by this Board should be allowed.

The Joint Registrar for Industrial Co-operatives & Village Industries, Poona.

PART I-A

Q: 4. For the development of cottage industries cheap rates shall have to be introduced for distance upto 300 or 400 miles. Taking other industries into account if general cheap rates are not possible for a distance of 300 or 400 miles it is suggested that for certified cottage industries goods, Railways may charge half the prescribed rates.

Q: 7. No.

Q: 9. There may not be any objection to such grouping provided certified cottage industries products are allowed to be transported at half the rates normally charged.

Q: 10. The products of cottage industries should be suitably put under Class I, II, and III, after consulting the State Governments concerned, if necessary, as to the types of cottage industry products which should receive such benefit. Any class lower, is likely to affect the cottage industries products adversely. However, if the suggestion of half the normal rates is accepted this classification may not be necessary.

Q: 11. For certified cottage industries products the rates for "Smalls" may be kept the same as the rates for wagon loads.

Q: 13. In case of certified cottage industries goods the minimum of Re. 1/- may not be charged. As otherwise, the same may be reduced to annas 8.

Q: 14 & 16. The minimum weight for 'Smalls' may be raised up to 25 seers. The difference between the rates for 'Smalls' and wagon loads may be reduced by lowering the rates for 'smalls' as the 'smalls' are generally products of cottage industry products which deserve protection from large scale industries. If necessary, the existing 'W' may be revised in upward direction which would give additional income to railway and thus compensate loss if any, in reducing the rate for 'smalls'.

Q: 15. There should be preferential rates for 'smalls' which contain cottage industries products, and particularly handloom cloth, leather goods, raw materials required for leather goods and tanned in village etc., coir goods.

Q: 23. Under the common pool rate, the match wood, splints and veneers may also be included.

Q: 25. Appropriate Government agency.

Q: 26. For all the imported raw materials freight rate should be very low. The loss should be compensated by increasing the rate of freight on finished goods imported.

Q: 31. The objectives should include (i) Development of cottage industries for which special concessions should be granted, (ii) to help decentralisation of industries.

Q: 32. Yes, Cottage Industries.

Q: 34 & 37. The policy may be followed with due safeguards to protect the interest of cottage industries.

Q: 40. Handloom cotton piece-goods

should be classified as 'low rated' and not as 'high rated'.

Q: 47. The concessions that would be extended to small agricultrist should also be extended to handloom weavers as the handloom weaving industry is the most important cottage industry next to agriculture and other certified Cottage Industries products.

PARTS II & III.

Part II deals with the consignments booked at the Railway risk. This office has no much experience in this regard and hence I have no remarks to offer. However, in reply to Q: 11, it is recommended that the owners risk rate may be completely withdrawn and that all goods should be transported by the Railway at Railway risk.

Part III deals with the "Railway Rates Tribunal". As this office has no much experience regarding the transport of goods by Railway etc. I have no remarks to offer in the matter.

Municipal Commissioner
Ahmedabad.

PART I—A

Q: 4. Present rates be maintained in the interest of Industrial development. Reduction in rate will however be favoured.

Q: 6. No. The *status quo* limit of one mile be kept.

Q: 7. No.

Q: 14. The limit by goods train be raised from 7 seers to 20 seers as minimum weight for 'Smalls'. This will reduce congestion in goods traffic for 'Smalls, with incidental advantage of gain in freight by movement in parcel trains.

Q: 15. One class suggestion is acceptable, as it will simplify calculations. The maximum weight for such a category is suggested as 2 Maunds maximum.

Q: 16. (i) No.

(ii) Adoption of wagon-loads in general is favoured. However, no extra charge for the 'Smalls' should be levied. Charging rate for smalls or wagon-loads should be the same in one class.

(iii) The suggestion is not favoured. Introduction of such discretionary allowance will increase fraudulent and corrupt practices detrimental to the aim of fostering healthy administration in railways.

Q: 16. (A) The minimum weight condition should be enforced only when the possibility of loading the type of material to that minimum is real. In case of greater volume and lesser density such condition should not apply. Each commodity or goods offered should be judged on its individual merit for this condition.

Q: 17. The train-load rates, if introduced will help heavy and prospering industries, will promote quicker movement and will relieve congestion in goods traffic.

Q: 18. For express goods services, additional reasonable charges may be kept.

Q: 19. Instead of the present lump rate for stated maximum four hours' use the crane's use should be charged for the actual period in use for emptying the load. The rate at present is too exorbitant and arbitrary. This needs revision on equitable and scientific lines. The charge should be fixed for use per hour or a part of an hour.

Q: 21. The present practice should be continued as it is. Be it remunerative or not, it has salutary check on monopolistic growth of other types of transport.

Q: 23. Freight pool is favoured. In case of industries of these manufacturing materials which are not distributed in all States of India, but are located in groups in few states, introduction of such a 'Freight Pool' will foster healthy trade growth. Commodities like cloth-cotton or woollen or silken, chemicals, products of heavy steel industries and cement are suggested for it.

Q: 30. Not favoured. Rate per mile should be continued for uniformity in working.

Q: 31. Only considerations of economics of transportation and the needs of railway finance should not be main basis and outlook in as much as the railways are now State-owned. Profit-motive should not be the only criterion for running public utilities. Services to the public should therefore be a 'motto' with minimum harassment and complications in the administration and working of railways. Removal of congestion in passenger trains and goods-traffic should have priority over all other minor developments of comforts on hand at present. The sources should be pooled for increase in rolling-stock and increase in train services first.

Q: 32. Interest of general industrial structure should be kept in mind. Preferential treatment to foster the development of heavy industries would be a step in the right direction.

Q: 33 Agreed. The period might vary from industry to industry. After the plant goes into production, for a period of three years the concessional rates might continue.

Q: 35. Generally uniform rather than selective rate policy is favoured per mile.

Q: 36. The surplus revenue should be used for reducing rates of traffic-goods and passengers-so that the benefit may be distributed to the people who have paid for the revenue. However, the question how the revenues surplus should be spent may best be decided by the Railway Administration. For their capital expenses they may borrow or draw on revenue but should not use the surplus revenues.

Q: 37. For encouragement of village and handicraft industries of certified types by Government concession in freight should be given.

Q: 41. The freight rate may be adjusted for foreign exports with a view to keep up and develop foreign market.

Q: 54. Uniform rate per mile should be adopted as basic. No more data is available.

Note:—We have no remarks to offer against the rest of the questions in this Part.

PART—II

Q: 7. After goods are accepted in railway for transport, it should accept its full responsibility. Hence benefit given by the railway under the amendment should be retained. We are not in a position to remark on the extent of benefit to the trading public.

Q: 8 to 11. The system of O.R. should be done away with. Only Railway Risk Rate should be kept by reducing present R.R. rate near about O.R. rate. This will result in simplification of working and imbibe spirit of true responsibility as Carrier.

Q: 14, 15 & 16. The packing rules should be strictly enforced particularly if goods are to be transported entirely under Railway Risk.

Q: 17. Introduction of ware-house facilities for storage of goods prior and after despatch is a prime necessity in view of difficulties of getting booking and carting facilities. Nominal charges for warehousing the goods may be charged. Warehousing facilities by private bodies should be discouraged. Either the co-operative societies or the Railways should undertake this responsibility. If proper warehouses are provided at all big cities, it will also facilitate marketing of goods.

Q: 18. Railway should take all the responsibilities of a common carrier rather than of a 'Bailee' under Contract Act. The quantum of responsibility cannot be ascertained.

Q: 19. Drastic action against delinquent railway staff coupled with strict supervision at every likely points of theft and pilferage will reduce such incidents.

Q: 21. Strict control over corruption in Railway administration is essential. Prompt booking, easy availability of wagons, and prompt settlement of the claims within stipulated period will help to curb the evils to a certain extent.

Note:—We have no remarks to offer against the rest of the questions in this Part.

DELHI

Delhi State Government,

Delhi.

PART I—A

Q: 26. (a) The freight on manure should be normal. There should be facilities for easy transport. This will help in "Grow more Food" and reclamation of cultivable land.

(b) The freight on transport of Potato seed should be on concessional rates as the high rate of the cost of Potato seed, coupled with freight, makes it impossible for an ordinary farmer to cultivate this important corp which has got risks of damage.

(c) There should be a net work of Railway Out Agencies in areas in which there is no railway service. This will increase the use of goods trains by the growers.

(d) There should be no freight when fodder or food grains are imported to any areas affected by draught, floods, locusts or hail storms. The priority and free transportation will lessen the brunt of the calamity in such cases.

Q: 37. There should be Railway Agencies for booking of the products of village and cottage Industries.

Q: 45. A very meagre, rather negligible number of agriculturists use chemical manure, diesel oil and seed imported through goods trains, hence no estimate can be given.

Q: 46. The movement of goods by Motor Trucks is on the increase on the obvious ground that this saves the cost of transportation from and to the Railway Station and is more speedy and convenient for short distances. The conventional corrupt charges to Railway clerks to be paid by the consignor as well as the consignee are also factors which do add to the movements by means of Motor Trucks.

Delhi State is not a surplus area, being mainly urban. The import to the city is made through goods trains mostly, but from outlying neighbourhood areas connected with metalled roads the movement by Motor Trucks is on the increase.

Q: 47. This is correct that small agriculturist considers it very difficult to dispose of his produce by rail as he is under the impression that there is always shortage of wagons and he, being illiterate, cannot tackle the "goods clerks" tactics.

The only practicable solution is co-operative societies and outlying railway agencies.

PART I-B

ANNEXURE VIII

Q: 2. Delhi State being deficit area, there have been no export of food grains and hence the question of any effect or change does not arise.

Q: 3. The Delhi State is a deficit area. Question of export does not arise.

Q: 4. Nil as no exports.

Q: 5. The area is deficit, No export.

HYDERABAD

Government of Hyderabad,

(*Rural Reconstruction Department*),

Hyderabad (Deccan).

PART I-B

ANNEXURE VIII

I am directed to state that specific information for answering question Nos. 2, 3, 4, & 5 in Annexure VIII to the Questionnaire is not available with the State Marketing Department The following comments are however, offered on the basis of the statistics and general information on hand:

Q: 2. The period between 1948 and 1953 was marked by high trends of prices of almost all agricultural commodities in this State. The rates of railway freight, though revised in the year 1948 and subsequently in 1953, were, however, on a fixed basis not varying with the rising prices. As such, they represented a smaller percentage in the expenditure incidental to despatches or exports both within and outside the State. It is only when prices are at a low level that the average trader or cultivator is affected. Operation of controls during this period did not give free scope for transport by means of Motor Lorries, and transport by rail was a common feature in respect of transport to places outside the State.

Q: 3 Railway is undoubtedly the most economical and safest means of transport. If this is available, the trade in general is not inclined to use the other means except when short distances below 200 miles are involved. This is a normal factor whether rail facilities are available or otherwise The absence of rail-road, of course, leaves no other source but motor lorries and bullock carts along country tracks. It may, however, be noted that during the years 1954 and 1955 the position of rail transport was not satisfactory. This factor has been brought to the notice of the Agricultural Prices Variations Enquiry Committee, appointed by the Government of India, from almost all the States in the country. It is, however, gratifying to note that since October, 1955 conditions have improved.

The annual agricultural production in the State according to the statistical records of the year 1954-55 was 46,20,000 tons. About 50% of this production was moved to different markets of the State. It is estimated that about seven lakh tons of produce was moved to places outside the State. The quantity moved by rail in the year 1954-55 within the State also is placed at seven lakh tons approximately. The internal movements took place by means of bullock carts and motor lorries. Transport by river or canal is not resorted to in this State.

Q: 4. Railway freight forms an integral part in the movement of agricultural commodities from this State to places in other States. Any reduction in this facility is bound to affect prices, which will indirectly tell upon the cultivators. It is, therefore, necessary to examine this aspect of the problem both in the fixation of freights either special or general. The experience of the previous year when the position of wagon supply was tight leads one to the same conclusion. Produce bound towards Bezwada side, in particular, and to other directions, in general, suffered heavily in prices to the detriment of the cultivator. It was not uncommon for the trade to employ motor lorries for transport to places even to the extent of 500 miles which involved great expenditure and which could have been minimised had the wagon supply been easy.

Q: 5. Under Q: No. 3, it has been stated that if Railway is available, trade in general will not be inclined to use any other means of transport except for distances below 200 miles in which case at least a 50% margin is given to transport by motor lorries. Cotton, urid, moong, linseed, chillies and cotton seed, are some of the commodities which are transported to places beyond distances of 500 miles and above, depending upon the position.

Chief Conservator of Forests,

(*Government of Hyderabad*)

Hyderabad (Deccan).

GENERAL

In so far as the existing freight rate on timber, firewood, charcoal etc., is concerned, the contractors of this State have no complaint against the existing rates. Beedi leaves contractors, however, find the existing rate of Re. 0-9-7 per maund, per hundred miles uneconomical and pray for reduction thereof by As. 3/- i-e. As. 6/7 or As. 7/- per maund per 100 miles. This rate existed some years previously.

MADRAS

Secretary to Government of Madras,

(*Agricultural Department*)

Madras.

GENERAL

Teak and Hardwood logs, to the extent about 12,000 tons, wooden poles about 3,500 numbers of 380 tons & bamboos are usually booked annually from Railway stations in the West Coast, Pollachi (Coimbatore District) Mysore and Nanjangud in Mysore State, to several consuming centres namely Madras, Coimbatore, Madura, Tiruchirapalli, Salem and Vellore. Also large quantities of Teak and hardwood logs are despatched to Railway workshops at Mysore, Perambur, Golden Rock, Hubli and Bombay from the Railway stations referred to above. A large number of sawn sleepers about 50,000 sleepers supplied by this department plus number supplied by private contractors are also booked to various destinations according to requirements of Railways. Wooden poles for use in Electricity Department as transmission posts are also being despatched from these stations. Firewood charcoal and Minor Forest Produce are booked by contractors to various consuming centres within the State. The quantity of firewood and charcoal booked by rail to Madras City alone comes to about 1,20,000 tons annually mainly from stations in North West and Western and Southern sections of the Southern Railway. Sandalwood merchants who purchase sandalwood at the half-yearly auction sales at Tirupattur and Satyamangalam depots transport major portion of sandalwood to places outside the State.

According to the existing rules even timber required by the Railways fall in low order to priority. Timber, firewood and Minor Forest Produce etc., dealt with by the public fall in a still lower order of priority. Hence much delay and difficulty is being experienced in securing necessary wagons for the transport of Forest produce. It is therefore necessary that all forest products *viz.*, timber fuel, bamboos, sandalwood, Minor Forest Produce etc., which are so essential to the public and other institutions are included in the second order of priority next to food grains. It may also be mentioned that timber and firewood stored for long periods exposed to sun and rain awaiting despatch will deteriorate rapidly and therefore it is all the more essential to give it a high priority so far as transport by rail is concerned.

The prices of firewood and timber are soaring high day by day on account of the high freight charges and difficulty in procuring wagons. A reasonable reduction in freight will ease the situation and make these commodities available to the public at cheaper rates.

Commissioner, Corporation of Madras,

Madras.

PART I-A.

Q: 21 and 22. The Corporation is having its own Railway siding at Meenambakkam, Egmore and Park Railway Stations for transporting road metal by rail from its quarry at Pallavaram to the City. The railway freight charges were raised by the Railway Administration in the year 1948 and consequently the transport of metal by rail proved uneconomic. Hence alternative mode of transport of metal by road had to be resorted to and the cost of transport by lorries was found to be favourable in spite of the very heavy taxation of motor vehicles and petrol in Madras State. Due to the levy of increased freight charges the Corporation was forced to suspend transport by rail since 1950. The Corporation made representations to the Railway Administration in 1950 for reduction in freight charges but the request was not conceded.

As between transport by rail and by road there is a difference of about Rs. 10/- to 12/- per unit (100 C. Ft.) of metal which would approximately weigh 4 tons. In other words the difference is about Rs. 2-8-0 per ton of metal.

Q: 27 and 28. From the Q: 27 and 28 it is seen that the Railway Board have permitted railways to waive the short distance charge either in full or in part for large scale regular movements of industrial raw materials where it is justified for commercial reasons. Transport of stone metal required for construction of roads may be classified as raw materials. For reasons of economy and comparatively low rate obtained outside for similar material and the difference in the cost of transport of metal by rail and road, there is need for the railway to show some substantial concession to the Corporation in the Freight charges for transport of metal by rail.

Q: 36. Consequent on the introduction of electric trains and other local trains services in the city the running of trains on rails is very frequent necessitating closure of level crossings very often and for long duration. It has therefore become necessary to convert the several level crossings in the city into over-bridges. The improved railway services in the city call for construction of over-bridges. As all the level crossings cannot be replaced in a short period, for the transition period, widening some of the important ones has been found necessary on account of traffic congestion at opening intervals. For this the cost of widening as well as the recurring cost for maintenance may have to be met by the Railways.

According to the State Railway Code the Railway is responsible for the bridge structure only coming over the railway tract, the approach roads to the bridges being left to be executed by the Corporation at its cost. It is a great strain on the low finance of the Corporation to bear a portion of the cost which is legitimately a responsibility devolving on the Railways. Since the outcome of the bridges is the result of improved railway services and frequent closure of the level crossings it is not justifiable to call upon the Corporation to bear any portion of the cost of constructing over-bridges in lieu of level crossings. The frequent running of the trains only add more revenues to the Railway administration. The provision of over-bridges will ensure unlimited movement of trains resulting in more revenues being secured. These factors may be considered by the Committee and the existing financial adjustment may be recommended to be revised so that the entire cost of constructing over-bridges in lieu of railway level crossings including the approaches may be financed by the Railway administration. It may be mentioned here that the State Government have already taken up the matter with the Central Government for amending the rules so that the entire responsibility for the construction of over-bridges or subways may be met in future by the Government of India in the present set up which is different from that which existed at the time companies owned the railways

General Suggestion:—The Corporation is receiving large consignment of pipe materials from the Indian Iron & Steel Co., Calcutta. The railway authorities have allowed some concession rate for despatch of these materials from Kulti to Salt Cotaurs, Madras, for pipes alone, in wagon loads. It is suggested that this concession be extended to all despatches from whatever source in India.

PUNJAB

Secretary to Government of Punjab,

(*Industries Department*)

Punjab.

PART—I A

Q : 1 (a) It had adverse effect on Industry as the freight rates were generally increased, but in some cases it had proved beneficial.

(b) The adoption of telescopic rates on continuous mileage over the different Railways did not affect the industry but the increase of rates side by side with the adoption of these telescopic rates adversely affected the industry.

(c) Short haul and medium haul traffic had been affected adversely because the basic rates had been raised. For example:—

		Rs. a. p. per md.
Rate charged for 500 mds. of maize for starch Industry from Hoshiarpur to Jagadhri vide R/R No. 910605, invoice No. 65, dated 7—2—1948 wagon No. 47832.		0 4 8
		0 0 8
		0 5 4
Rate charged for 500 mds. of maize between same stations R/R No. 110211 invoice No. 39 dated 31—10—52, wagon No. 85353 ...		0 6 1
II. Rate charged for 525 mds. of maize starch from Jagadhri to Bridge, vide R/R No, 759497, invoice No. 1, dated 30—4—48 wagon No. 46443 NR		2 6 2
		0 0 8
	S. C. per rupee	0 2 0
Rate charged for 560 mds. of maize starch between same stations, R/R No 463212 invoice No. 24 dated 17—12—48, wagon No. 24697 ...		3 0 0
		0 1 4
		3 1 4

Q : 2. (a) No.

(b) The industrialists have begun to feel that they are at the mercy of Railway Station staff.

Q : 3. (i) Yes.

(ii) (a) & (b) Yes.

Q . 4. Present practice should continue and be entrusted to all wagon load scales.

Q : 5. The charges should be suitably decreased. This will encourage the industrialists and popularise the booking by railways thus the railway revenue will increase. In case, there is any loss of revenue it can be made good from overall income of the railway.

Q : 6. No.

Q: 7. No.

Q. 8. Empty haulage charges be abolished altogether.

Q: 9. Yes. Industrial raw materials should be brought in the first priority class for early movement at reduced rates. Moreover, Gluten and Starch are at present grouped in class 4 which is ridiculous, Gluten should be classified with oil cakes along with Grit which is animal feed.

Further a great disparity exists between the freight rates of wheat and wheat products with effect from 1-4-55 for example. railway freight per md. from Amritsar to Madras is

Rs. 1/14/- in the case of wheat while in the case of flour it is 2/9/9. This has hit the flour milling industry in this State very hard as their main customers have been people in South who now find it unremunerative to purchase wheat products from this State. This disparity should be reduced to minimum possible.

Q: 10. As suggested above, the classification of raw materials particularly iron and steel should be revised for early movement and at cheaper rates as in the case of coal.

Q: 11. The rates for traffic moving in smalls are in order but the wagon-load rates should be less than those.

Q: 12. It should be according to the class of commodities carried.

Q: 13. It should be reduced from Re. 1/- to Re. -/8/- as previously.

Q: 14. There seems to be no point in altering the present system when consignments weighing less than 20 seers are to be charged for 20 seers.

Q: 15. The suggestion does not seem to be practicable and beneficial.

Q: 16. (i) In certain cases it appears that 'W' rate conditions are already higher, specially for bulky materials (in the case of which after loading upto the full capacity of the wagon the weight condition is not fulfilled) and it should be reduced accordingly. For example if capacity is for 400 maunds but actually there is no room in the wagon to load more than 300 maunds then the same rate should be charged for 300 maunds and not for 400 maunds.

(ii) The present class rates are already higher as compared to the charges applicable to wagon loads. There would be no justification in adopting them for full wagon loads and increasing the rates for small consignments. The wagon load rates should be less than the present class rates.

(iii) The proposal is welcomed, as, in this way, the Railway will be able to utilise the wagons in a better way and on the other hand the public would gain some thing in freight on account of the incentive.

Q: 16 (A) The minimum weight rates for light commodities be lesser than for heavy commodities.

Q: 17. The train load rate should be allowed wherever parties have to offer traffic for more than 50 wagons in a quarter. We think this may amount to some relief in the case of despatches of raw materials regularly from the markets.

Q: 18. The special express goods service can only be of use provided the Railways are able to give a guarantee for despatch and delivery at the station within a fixed period on payment of some extra charges.

Q: 19. We understand that the Railways have changed their old rules and they demand demurrage on consignments till the crane is received from any of their stations. All the Railway stations do not have cranes. On demand the Station Masters concerned send telegrams to the stations where the cranes are available. Sometime delay is caused as the crane is already booked and it takes a number of days to get the crane at a particular station. The Railway Authorities take into account all this period which is required for arranging the crane and the demurrage is charged accordingly. We understand that previously no such demurrge was charged and it was considered to be sole responsibility of the Railways to supply cranes and any delay in supply of cranes was on their account. The present crane charges also need reduction. Further we have to suggest that when a bulky machinery is loaded and despatched from a particular station it should be the duty of the Station Master of the despatching station to send telegraphic advice well in time to the destination station so as to enable the latter to arrange for the crane well before the arrival of the consignment. Presently the haulage charges are Re. -/6/- per mile for both ends. This rate should be reduced reasonably.

Q: 20. No comments.

Q: 21. (a) Yes. Traffic upto one hundred miles should be considered as short distance tarffic.

(b) Yes.

(c) No comments.

Q: 22. Favourable. For meagre differences in freight people prefer local means which ensure steady and early dispatches to their satisfaction.

Q: 23. Yes. Freight pool may be created for essential commodities like coal, cement, iron and steel, oils, salt, agricultural implements, machine tools and cycle parts etc., etc. Traffic moving over a minimum distance may be excluded.

Q: 24. No comments.

Q: 25. The freight pool should be worked by the Railways.

Q: 26. Yes. Freight rate should be lowered.

Q: 27 & 28. No knowledge.

Q: 29. Favourable.

Q: 30. Station-to-station rates between important commercial stations may be revived. No restrictions are suggested as sufficient goods would be available for transportation on either side.

Q: 31. The Railways should pay due consideration to the development of the industry and allow reduced rates for industrial raw materials and finished products so that the industries may prosper thereby increasing the general standard of the Nation. This would also enable the industries to withstand competition.

Q: 32. Yes. The Railway should take into consideration the development of particular essential and public utility industries like cycle, sewing machines, machine tools, etc.

Q: 33. Yes. Special consideration must be given to new industries, having scope for expansion, till they are developed satisfactorily.

Q: 34. No comments.

Q: 35. There should be reasonable reduction to help the industry and trade keeping in view the proposed heavy investment both in the construction of new Railways and providing of rolling stock and other facilities.

Q: 36. The Railway Administration should provide as many links as possible with the remotest corner of the country by new lines or by starting out-agencies. This will improve the general condition of the country from economical, commercial and social point of view.

Q: 37. Yes. The Railway freight structure be utilised to assist the development of village and cottage industries. The short distance freight (concessional) should be for the village and cottage industries since their goods are usually disposed of within shorter range of area.

Q: 38. In such cases where the Government exercises control of fixing ceiling price on particular commodities the Railway Administration should consider the distance between industries producing similar goods. Besides this due consideration should also be paid to the distance to consuming markets for example, the starch factories at Ahmedabad can have their requirements of raw materials from Rajasthan at comparatively cheaper rates and dispose of their finished products in Ahmedabad and Bombay markets as most of the Textile Mills are located there.

Q: 39. No knowledge.

Q: 40. There might be some additional burden on the railways in the initial stages but in the long run it is likely to be covered by the heavy traffic because the proportion of overhead charges will become less.

Q: 41. There should be stable rates irrespective of varying factors.

Q: 42. During the post-war period and after partition there has been much change in the traffic especially for the raw materials obtained from the markets now covered by the East Pakistan area.

Q: 43. No effect.

Q: 44. According to circumstances but usually F. O. R. forwarding stations. The required data is not available.

Q: 45, 46 and 47. No comments.

Q: 48. The production by private sector at the end of the Second Five Year Plan is anticipated to be doubled than present production.

Q: 49 and 50. Volume of traffic will be doubled but there will be no change in length.

Q: 51. The production is anticipated to be increased by 100 per cent.

Q: 52 and 53. As against Q: 49 & 50.

Q: 54 and 55. No.

PART I-B

ANNEXURE—V

Q: 1 (*a*) ***Iron & Steel***

(1) To produce one ton of steel 6-8 Cwt. fuel is required.

(2) Not available.

(3) Steel industry has been adversely affected due to the levelling of the Railway freight. There has been an ever increasing tendency to export goods by road.

(4) Longest distance for despatch 1,500 miles.
Shortest ,, ,, 20 miles.

(5) Mostly by rail.

(6) Mostly by Road Proportion of despatches are 80% by road and 20% by Rail.

(7) *Steel.*

Average Price 1954-55 Rs. 400/- per ton.
Average Freight 1954-55 Rs. 82/- ,,
Average Price 1938-39 Rs. 200/- ,,
Average Freight 1938-39 Rs. 48/- ,,
Average Price 1947-48 Rs. 350/- ,,
Average Freight 1947-48 Rs. 82/- ,,

(8) Not available.

(*b*) ***Edible oils.***

(1) To produce one maund of mustard oil three maunds of seeds are required and to produce one maund of cotton seed oil eight maunds of seeds are required.

(2) Not available.

(3) No.

(4) Despatch-longest distance.....30 miles.
Shortest ,, ... Local.
Receipt — longest distance.....50 miles.
Shortest ,, ... Local.

(5) No. 25% by rail.
75% by road, by bullock carts.

(6) Not by rail, mostly by road.

(7) Average price 1954-55 Rs. 40/- to 55/- per md.
1938-39 Rs. 35/- to 40/- per maund.
1947-48 Rs. 40/- to 55/- per maund.

(8) Not available.

9 (a) Mostly the Oils are transported in tank wagons. There is no leakage and wastage in transit and moreover the rates for tankers are economical.

(b) Varying—say 2 to 5 in containers.
In tankers—Nil.

(c) No.

(d) Does not apply.

(*c*) ***Soap***

(1) For preparation of 1½ maunds of soap 15 seers of soda silicate, 7 seers of soda caustic and 1 maund of oil are required.

(2) Not available.

(3) No.

(4) Despatch—longest distance.....2,000 miles.
shortest distance.....5 miles
Receipt—longest distance.....500 miles.
shortest ,, Local.

(5) Mostly by road 20% by rail.
50% by road.
30% by local.

(6) By rail 10%
By road 90%

(7) 1954-55 Rs. 30 to 33 per maund
Freight per maund Re. 1.
1938-39 Rs. 10 to 12 per maund
Freight Re. 0-4-0 per maund
Consuming centre—Rs. 34 per maund.

(8) Not available

(*d*) *Cotton textiles*

(1) Three maunds of unginned cotton is required to produce one maund of cloth.

(2) Not available.

(3) No effect.

(4) Average longest distance is 900 miles. Average shortest distance is 60 miles.

(5) 80% raw material is received by road in trucks and 20% raw material is received by rail.

(6) 30% is despatched by rail and 70% is despatched by trucks.

(7) Not available.

(8) Not available.

(*e*) *Machinery*

(1) Does not arise.

(2) Not available.

(3) No tangible effect.

(4) Iron and Steel imported from producers at over 500 miles by rail and goods mostly marketed within the state.

(7) Not available.

(8) Not available.

(*f*) *Footwear*

(1) Does not arise.

(2) Not available.

(3) No tangible effect.

(4), (5). x

(6) Raw materials are mostly available locally; some materials imported from Kanpur and Agra: (about 300-400 miles by rail and road say half and half); finished products marketed locally.

(7) Not available.

(8) Not available.

Q: 2. Does not arise.

Q: 3. Does not arise.

ANNEXURE VIII

Q: 4. (1) Not available.

(2) No effect.

(3) 90% by road and 10% by rail.

(4) Average price 1954-55.
Wheat Rs. 10/- to 14/- per maund
Gram Rs. 5/- to 8/-
Rice Rs. 15/- to 18/-
Maize Rs. 7/- to 12/-
Barley Rs. 7/- to 9/-
Bajra Rs. 9/- to 11/-
Pulses (Mash and Mung) Rs. 12/- to 15/- per maund.
Mustard oil (Rape seed) Rs. 13/- to 16/-
Tobacco Rs. 60/- to 65/- per maund.

(5) Not available.

PART—II

Q: 1. (a) Generally the traders book their goods at Railway risk but in certain cases the traders are compelled to book their consignments at owners' risk. The Railway authorities generally shirk in booking the goods on Railway risk and in majority of the cases they put forth one pretext or the other and the common excuse in most of the cases is that the packings do not strictly conform to the prescribed packing conditions of the railway. Inspite of all these difficulties the traders prefer to book at railway risk.

(b) Even though owner's risk rates are available the traders prefer to book goods at railway risk. All sorts of merchandise are booked at higher railway risk except raw material of nominal value.

(c) Yes, the trend of booking the consignments at Railway risk is increasing day by day.

Q: 2. (a) Generally wherever railway risk rates are applicable private insurance is not resorted to. Private insurance is only resorted to when owner's risk freight is paid to the railway.

(b) All transit risks are covered by the private insurance. The premium rates differ according to the risk involved in each commodity thus insured. For rates the insurance tariff may please be referred.

(c) The shift is in favour of private insurance in addition to booking at railway risk. When railway risk rates are available the traders book their goods at railway risk exclusively and in certain cases private insurance also is got done in addition. Goods, in seldom cases, are covered by private insurance exclusively.

Q: 3. The traffic under private insurance is covered to the tune of 15 to 20%. The shift is in favour of private insurance for industrial goods.

Q: 4. (a) Yes, Industrial goods.

(b) Five times industrial goods.

Q: 5. (a) Generally the compensation claims paid by railways mostly relate to pilferages and in very rare cases to other items such as misdespatch etc.

(b & c) Out of the total number of claims filed in respect of shortages about 30% are accepted. In respect of other categories claims are often rejected.

Q: 6. Irrespective of commodity involved, all claims cases in respect of categories other than shortages are invariably rejected.

Q: 7. (a) The private parties are unable to show the negligence of the railway as they do not know what happens to the consignments while in transit. The general reply from the railway claim section is that the consignments are booked in owner's risk as such no claim is payable. The public cannot go into details for claims as it involves sufficient time and expenditure for the consignors who have to go from place to place to know the causes of the loss or damage. There is no other alternative but to accept the railway plan and the claims have to be dropped in this way. Hence the public cannot be able to derive the desired benefit out of the new provisions of the law.

(b) Under the circumstances explained above there has been no disadvantage to the railway.

Q: 8. For all commodities, each kind of rates may be quoted. Sender should have option to use any of them.

Q: 9. The disparity between these two sets of rates *viz.*, railway risk and owners' risk must be abolished especially of indust-

rial goods. If feasible there should be flat rates.

Q : 10. As a matter of fact when the railway accepts the goods at booking station they should bear the responsibility of delivering these goods in the same condition at destination. The present owner's risk rates should, as a matter of fact be for railway risk. The railway should not be absolved of all the risks by simply saying that they have booked the consignments at owner's risk. In other words, the railway risk basis should be extended without calling upon the trade to complete unnecessary formalities regarding packing condition etc.

Packing conditions should not apply so rigidly as at present on railway risk consignments. In certain cases, only railway risk rates are applicable but with packing conditions which cannot be fulfilled; packing conditions as at present in force are applied without visualising practical difficulties. These conditions should be formed in consultation with the particular trade community.

The consignments under wagon loads are generally taken on owner's risk basis by the railway authorities and they repudiate all claims even though those result through their negligent handling. It has been observed that great damages are caused usually by loose and rough shunting enroute. The railway should be quite fair to bear the responsibility of such damages even though the commodity is booked on owner's risk.

Q: 11. As already stated in Q : 10 above the Railway risk should be accepted at owner's risk rates as far as possible. In other words, acceptance on railway risk basis should be extended without calling for increased rates. This however should not mean that the owner's risk rates should be entirely abolished because there would be still certain commodities which by their nature and inherent value do not call for greater protection and higher rates. Such commodities are just like shingles and lime, limestone, coal and iron and steel materials etc.

Q: 12. This is quite a plausible suggestion and keeping in view the remarks per items No. 10 & 11 due consideration should be paid to it.

Q: 13. Reasonable packing conditions for all such materials should be clearly specified so that the trade community is not unnecessarily put to trouble by the Railway authorities by exercising their own way of judgment for applying Railway risk or owner's rfsk. The consignments should be accepted as far as possible on railway risk basis.

Q: 14. No comments.

Q: 15. The present packing conditions are not at all accommodating and should be reviewed and relaxed to meet the demand of trades concerned. *e.g* in the case of paper, gunny packing and covering with baling boards should be quite sufficient to move under the Railway risk. The Railway should not insist on water-proof packing.

Q: 16. The conditions previously prescribed should be softened and rigidities of packing conditions already existing should be relaxed. The railway authorities follow packing conditions so rigidly that very few goods are booked at railway risk. Their inclination is always to find out one defect in one way or the other in packings. In case compulsory packing conditions are extended to more commodities, it is likely to add to the difficulties of the traders.

Q : 17. (a) Yes, for incoming and outgoing materials. No scheme to knowledge.

(b) Spaces may be allotted to association of the traders or other co-operative bodies who may operate upon these warehouses.

Q : 18. (a) When the goods are once accepted by the railway, it should be their responsibility to deliver these in the same condition. The railway should not act as Bailee only but they should shoulder all responsibilities during the period the goods are in their custody .(excluding animals).

(b) The Railway should act as a common carrier and assume all risk except acts of God and natural calamities.

Q : 19. It appears necessary precautions are not taken by the Railway to protect these goods from theft etc. They should take necessary steps. Wherever their own staff are involved, they should be given exemplary punishments, It is the general information that all such thefts take place because of the irresponsibility and non-vigilence of the Railway staff.

Q: 20. The incidence of theft cases is particularly high in respect of commodities carried in open wagons

Q: 21. Unnecessary objections are raised by the Railway to avoid payment of all claims and the cases are delayed on one account or the other. In certain cases for years together, which would be evident from the Court cases presently pending against the Railway. Number of law suits have increased on account of policy of the railway claims department.

PART III

Q : 1. (a) No comments.

(b) Yes.

(c) No.

Q : 2. Yes.

Q : 3. No comments.

Q : 4. No.

Q: 5. Yes, subordinate appellate bodies may please be appointed for the purpose for various regions.

Q : 6. Yes, Cases should be decided early by appointing subordinate appellate bodies.

Q : 7. The decision made is binding on the party and it is immaterial whether the party appears in person or not.

Q : 8. No comments.

Q : 9. No.

Q : 10. (a & b) Yes.

Q : 11. For the fixation of rates, a committee comprising representatives of trade, industry and *agriculture* headed by a senior Government official be made. As far as the complaints are concerned judicial body is

essential. These bodies would be independent of one another, so the question of reconciliation does not arise.

Q: 12. Since the matter involves monitory implications, the control should be by the Tribunal.

Secretary to Government,

(Punjab Capital Project)

Chandigarh.

PART I—A

Q: 21. The Capital Administration is concerned only with the transportation of building material. The suggestions for carriage of such materials invited under Q: 21, page 8 of the "Questionnaire" are given below:—

a. Railway may not carry traffic where alternative means of transport are available provided such transport is run by a State or Semi-State body. It is also recommended that the term "short distance" should mean anything up to 100 miles.

b. Freight rates in short distance traffics should be adjusted so that such traffic may generally be carried by alternative means of transport in cases where private goods carriers are available.

c. Adjustment of freight rates will also be desirable on long distance traffic where commodities would be carried by Coastal Shipping in order to remove the strain on Railways.

Q: 23. "Freight pool" may be created so as to keep fairly uniform the freight rates irrespective of the distance in the case of the following building materials.

(i) Coal.
(ii) Iron & Steel.
(iii) Cement.
(iv) Petrol.
(v) C. I. Pipes and Specials.
(vi) Stone-ware pipes

In addition to above it is further recommended that Chemical manures and Kerosine oil may also be included in the "Pool."

Excise and Taxation Commissioner,

(Government of Punjab)

Jullundur City.

PART I-A.

Q: 8. The Excise and Taxation Department, Punjab, suggest the abolition of the empty haulage charge.

Q: 12. The Excise and Taxation Department, Punjab, suggest that freight should be charged on the actual quantity transported and not according to the loading capacity of the tank wagon and the charge should vary with the class of commodities carried.

Q: 23. The Excise and Taxation Department, Punjab. suggest that a freight pool on an all India basis may be created so as to keep freight rates fairly uniform irrespective of distance. Such a pool may be made to include molasses, petrol, power alcohol etc., besides the commodities mentioned at the end of the question. Even the traffic moving short distances may not be excluded from the freight pool.

Q: 25. The Excise and Taxation Department, Punjab, suggest that a Government agency should work the freight pool.

Director, Animal Husbandry & Warden of Fisheries,

(Punjab Government)

Simla.

PART I-A.

Q: 20. (i) Large number of cattle especially milch animals and bullocks are exported from this state every year to the States of Bombay, U. P., Calcutta, Madhya Pradesh, Bihar, Bengal and Madras. The C. As. (cattle wagons) used at present become very hot in the way more particularly in the hot season due to which animals, booked in them, feel much inconvenience resulting in the deterioration of their health. They ought to be insulated ones and more adequate arrangements may be made in in them for ventilation and cleaning purposes.

(ii) The cattle wagons should be such that the livestock may not feel hardship. They should be enough commodious.

(iii) The present rates should be decreased to a greater extent.

(iv) It has sometimes been experienced that it takes long to carry the cattle to their destination because the livestock wagons are generally attached with goods trains whereby the urgency of transportation of livestock cannot be realised under unavoidable circumstances. It is, therefore, proposed that all the wagons carrying livestock should invariably be attached with passenger trains at nominal freight without considering the distance of journey. This will minimise the trouble and the poor animals travelling from one place to another will be saved from lot of hardship which they have to face in the journey.

(v) Sufficient number of cattle wagons should always be available at important stations situated in the cattle breeding areas, specially from where these are exported in large number to other places. It has been experienced that wagons are made available after a long time and the buyers of livestock have to suffer a lot in addition to inconvenience.

Director of Agriculture,

(Punjab)

Ludhiana.

PART II

Q: 1. (c) In the post war period traders have started preferring owner's risk rates over railway risk rates to a large extent. This is due to cheapness of this schedule, and inconvenient formalities to be observed for booking at railway risk. Sometimes very flimsy objections are raised, as to packing, etc., for not accepting 'goods' at railway risk. It is also felt that in case of losses the procedure to be adopted for recovery of claims etc., is too complicated and lengthy to make the railway risk schedule attractive to traders and so there is going to be no substantial advantage in booking at railway risk; evidently there is no fun in paying higher rates. Even after booking at Railway risk you have to pay some illegal gratification for safe and prompt delivery, which facilities can be secured under owner's risk with that much "grease money". Then why to pay high rates? If any insurance is deemed essential for a particular consignment, private insurance agencies are preferred as they are cheaper and in case of losses compensations are promptly paid.

There must be something radically wrong with railway service when sane and sober businessmen prefer road transport even at higher cost. Perhaps the corruption and serious type of red tapism involved in dealing with railway administration are the main causes of unpopularity of railways as compared to trucks.

Q: 7. (a) No benefit seems to have been derived by the public by this change as it is difficult to establish the negligence on the part of railway staff, Railway staff help each other and try to conceal the negligence of each other, rather than exposing it. Without this internal help negligence cannot be established in a way desired under the law.

Q: 8. The system seems to be quite complicated and therefore, needs to be much simplified and rationalised. There should be only a very few alternatives. A number of alternatives increase administrative difficulties and encourage the staff to exploit these to their advantage by various tactics. The entire classification scheme, therefore, needs to be overhauled on the lines of trade demand.

Q: 9. Reference to revised class and wagon load scales rates show that the difference between two sets of rates is not very wide. Generally owner's risk rates are either the next highest or the second highest, from

the railway risk rate. The jump of class scale in the initial nine classes is only of the order of .05 to .06 pie per maund per mile. This, evidently, is not a wide disparity. The distinction may, therefore, be abolished.

Q: 10. It is desirable that distinction of owner risk and railway risk be withdrawn altogether and uniform scale rates be adopted. If any extra security is needed that may be obtained under "excepted articles" provisions. These provisions may be extended to more articles than at present to get benefits of railway insurance to more and valuable commodities. But this extension should be optional and not obligatory as at present for excepted articles. Compulsory insurance may be continued for existing excepted list commodities.

No exception should be made in case of wagon loads for this purpose; however, for wagon loads cheaper rates may be quoted as hitherto.

Q: 11. The same principle need not be applied to excepted commodities as it is desirable that valuables be fully insured and the list of commodities be extended by including more commodities, but this should be optional.

Q: 12. All bookings should be at railway risk. To relax this on the desire of trader for assuming certain part of risk is not feasible. It will not be possible to measure the risk to be borne by the trader and convert it into money term for corresponding reduction in freight rates. Such preferences, being unmeasurable, become difficult to administer and create difficulties.

Q: 13. No, there should not be any relaxation in respect of packing dangerous commodities. We should not play with danger. Either do not consider them dangerous and if these are accepted as dangerous full packing terms shall be enforced.

Q: 14. Quite satisfactory. The booking clerk should, however, be instructed to fill these forms himself for those who are not in a position to fill the forms themselves being either illiterate or disabled, as at present many such handicapped persons are put to inconvenience, for getting these forms properly filled.

Q: 15. The conditions are quite satisfactory but their enforcement should not be extended to literal extremes desired under the provision. Any provison extended to extremes becomes quite a nuisance. A missing nail, a slightly cracked wooden case, a little deviation in labelling, etc., should not be made a cause for refusal to accept the consignment and consequent harassment to the trader.

Q: 16. Time is yet not ripe to enforce compulsory packing conditions to more commodities. It will frighten traffic rather than attracting it. Already the atmosphere is frightening and road transport is preferred on this score in addition to many other advantages.

Q: 17 Provision of such warehouse facilities is absolutely essential especially for perishables like fruits, vegetables and milk. Special air conditioned rooms, both at important despatching and receiving stations, to store perishables in transit, will reduce losses due to rotting, etc., as even little exposure to unfavourable temperatures causes serious dangers to quality of fresh fruits and vegetables. This presumes existence of refrigerated vans and running of fast fruit and vegetable specials. Without this facility, erecting air conditioned-warehouses will be putting the cart before the horse. It is not strange that consumers in some advanced countries are enjoying delicious and luscious fruits because they do not rot either in transit or at source for want of proper transport and ware-housing arrangements.

To provide this facility railway department seems to be most appropriate as it has necessary finances, facilities and equipment. As these commodities in such warehouses will be in transit it is but essential that these should remain in the custody of railway department. Bringing in of some other agency for this purpose will create unnecessary complications.

Warehouses for grains and other agricultural produce are being established under the 2nd Five-Year Plan by co-operative and other bodies. These may be recognized by railway for its purpose if considered desirable.

Q: 18. (a & b) Railway should assume liability of a common carrier and not of a bailee. This means that the railway should be responsible for the loss or damage to goods in transit whether caused by negligence or not. When goods have been entrusted to a party for transportation, there should be no question of partial risk. The transporting agency must bear full risk and should be obliged to deliver it without any damage or loss. Buyers of railway service expect full service and acceptance of risk in full and not half way.

Q: 19. Bulk of claims for compensation at present are not on account of thefts and pilferages but negligence, bad motives and corrupt practices of the operational staff. If "greasing" principle is not observed religiously and customary charges are not paid over and above the legal freight, the consignments do not move; if they move they are delayed or directed against the interests of the traders. Many other similar obstructions are placed in transit to teach a lesson to the trader who dares to stick to law. If any claim is put in for damages naturally that is to be borne by the railways.

The disease of corrupt practices is very serious and has been voiced and shrieked from many corners to make it audible to higher ups. Some improvements are there since partition but it is still there. In spite of best efforts to weed it out it still flourishes. System of "Babuana" has not died out. Capital punishment or some other form of hard punishment to the guilty seems to be the only remedy.

PART III.

GENERAL.

As the constitution, functions, qualifications of members, the procedure of working, etc., of the Railway Rates Tribunal are not available, it is not possible to answer the questions in this part. Unless existing conditions are known it is hazardous to suggest changes for improving the working of any organization.

It may, however, be pointed out broadly that there are considerable delays in obtaining decisions from Railway Rates Tribunal and the procedure is also very complicated and costly with plenty of red-tapism. It is due to this complicated nature of procedure that the various parties do not appear before the Tribunal in person or through their representatives but through their legal advisers who are considered competent to under-tand and follow the required procedure.

In view of the nationalisation of railways the necessity of a judicial body like the Railway Rates Tribunal for adjudication of disputes regarding freight rates does not exist. Substitution of this body by an advisory body on the analogy of the Tariff Commission will prove useful for healthy control on nation's iron-horse which is expected to revolutionise our socio-economic life during the Second Plan. The Railway Rates Tribunal is near relative of the old decried Railway Rates Advisory Committee and has not brought any change. A new set up is needed which is commensurate with our quickly changing market conditions and trading habits. Specifically special efforts are needed to speed up the movement, specially of perishable goods to reduce the loss, and damge in transit, to rationalise the rates and above all to banish corruption completely from railway Administration.

SAURASHTRA

The Government of Saurashtra,

Rajkot.

GENERAL

1. The subject being dealt with by the Railway Freight Structure Enquiry Committee is so vital to the progressive development of the National economy that we have given our most careful considerations to the different aspects of the problems before this Committee.

2. The Indian Railways are nationalised. They have no competition and as such, they enjoy special privileges But in virtue of these, they carry a special responsibility. The Industrial and economic progress of a nation depends, to a very great extent, on availability of ample and economic transport. The Railways, thus, if they are to give impetus to our economic progress, have to provide ample and cheap transport for whosoever may require it.

3. It is true that Railways as Carriers should be financially sound. This means that the freight rates to be evolved by the Railway, should be sufficient to meet with the operational, the maintenance, depreciation and usual interest charges on the capital investment. But unlike profit motivated commercial concerns, they are not always expected to earn revenues with a view to make profit It is very necessary to appreciate this aspect of the Railway finance, particularly as it is a nationalised industry. The Railways should not, as a rule, be expected to net profit with a view to contribute to National Exchequer. It is not a Tax Collection Organisation, but essentially a self-sufficient Service Organisation. At least for some years to come, we should not think in terms of the Railways contributing anything more to the Central Exchequer than what has already been approved by the Parliament in lieu of the Capital Investment. This means that the Railway Freight Structure should be framed and adjusted to make it a commercially sound organisation working on "No profit no loss basis".

4. The Railways must have a progressive policy and its expansion should be geared to the traffic needs of the country; if the Railway lags behind and does not move faster than the industrial progress of the country, it will result in considerable drag and will retard the economic progress of the country.

5. In order that the replies may be considered in their proper perspective we have considered in the first instance the principles which in our opinion should govern the Freight Structure of the Indian Railways with such variations and compromise as may be necessary in the interest of a full economic development of the country and of the special problems of Saurashtra. These principles and generalisations are not quite new and have been doubtless discussed in many contexts. We have adopted only those which follow the policy laid down by Parliament, They are set out as under :—

(a) The Indian Railways have a virtual monopoly of land transport. The impact of road transport is not yet so great as to make any visible change in that monopoly. Perhaps after the completion of the Second Five Year Plan when more roads and highways will

be available to the public, the question will require to be reviewed. Inland river transport is non-existent in Saurashtra but with the long sea-board that Saurashtra possesses, we have carefully gone into the sea-*cum*-rail transport which will be indicated in its appropriate place.

The railways are admittedly a commercial concern and although completely nationalised, Parliament have allowed it an autonomy of finance which proceeds from the premises that they are to be treated as if it were a commercial concern. In other words it has to work on the basis of meeting all the charges, interest, depreciation (*i.e.* replacement, provisions) and making a definte contribution towards the general revenues of the Union Government. They are to work on a "No loss no profit" basis,

We may add here and advocate that looking to the topmost need of helping the traffic to move, for the period of two to three coming Five Year Plan periods, the Railways should be first considered as "National Service" and only secondarily as a commercial concern working on "No loss no profit basis". This will directly help the development of the country tremendously and will thus raise national incomes, communities' gains and raise Central and State revenues and also increase railway earnings substantially over a period of time.

6. The Railway problem is peculiar to Saurashtra in as much as due to the existence of a large number of former States with their rivalries and jealousies, the net-work of Railways in Saurashtra have left many a loose ends dangling everywhere and involving circuitous and longer routes which could be reached by shorter ones. The Saurashtra system of Railways requires in the first instance introduction of a system of Broad Gauge joining the two principal traffic generating points of Saurashtra, namely, Bhavnagar and Jamnagar to the Broad Gauge on the Anand-Baroda route. Rajkot should be included in the broad gauge alignment to Jamnagar. Over and above this the rationalisation of the metre gauge system should be planned out so as to improve the existing jig-saw system in some areas in Saurashtra. There is no doubt that in the long run such investments will fully pay by way of revenue, greater efficiency and savings in time, depreciations, etc.

7. As explained in the draft reply to Q: 34, the proposal to calculate the freight on the basis of inflated mileage in the early stages of development should not be insisted upon. Inflated mileage rates can be justified only when over a number of years the line shows disappointing results. In these days of urgency of national development, the Railways have to function as the most important "National Service". These considerations have obviously a bearing on the freight structure.

8. Coming to the more immediate object of the inquiry, we would like to emphasise that the rates and classifications should be (i) easy to understand, (ii) easy to apply, (iii) not resulting in discrimination among different interests, (iv) subject to as few exceptions as possible and (v) flexible to meet the needs of the changing economic pattern.

9. As carriers, the Railways should assume the full responsibility as a common carrier which it has not assumed for historical reasons applying to company management. They are rightly prevented by law from exercising discrimination and from choosing and picking their freight *vide* Section 152 and 161 of the Indian Contract Act, 1872.

10. Keeping the above in view our replies have been framed but we wish to specify some salient points at this stage:

(a) We have proposed that the present classes need not be increased but have felt that there is some scope for readjustment by upgrading or downgrading of certain commodities and of specifying several commodities in an appropriate class, which by reason of values cannot be lumped together under the same generic description;

(b) We have not advocated a wide range of station to station rates and where such appear to be justified we have suggested the creation of a special Committee or Tribunal for speedy redress and decisions. It is feared that any excessive use of *ad-hoc* decisions will open wide the doors to favouritism and its twin brother corruption. The general structure should ordinarily obtain in all cases;

(c) An expansion of the functions of the Railway Rates Tribunal is suggested. Instead of working at one fixed place, it should move to headquarters of the zone where the disputes submitted to it have arisen. It should also be a quasi appellate authority for cases where special concessions such as station to station rates are asked for and denied by the Administration;

(d) We are definitely opposed to any element in the freight structure which has the effect of discriminating on the ground of short distance or small rates or because several junctions intervene or which has the effect of a deterrent or of compulsion to drive goods through a particular channel. Where there is no competitive or alternative land transport and a proper road system, that element of compulsion would be an intolerable discrimination.

11. The Railway has been following maunds and seers as Weight Unit in its calculation of freight. The units more widely used in trade are Tons, Cwts, and Lbs. It is, therefore, suggested that the Railways may adopt either a system of Tons, Cwts, and Lbs. in prescribing and calculating the freight rates and freight or preferably the Metric System of Weights as may be fixed under the Act.

12. According to the Indian Railways Act, 1890, the responsibility of a Railway administration for the loss or deterioration of animals or goods, delivered to that administration for carriage, subject to the other provisions of the Railway Act, is that of a Bailee under Section 152 and 161 of the Indian Contract Act, 1872. The Railway thus, does not carry the full responsibility of a common carrier. This may not be considered quite adequate. The for-

mer Railways and the former alien Government had provided such a clause, with a veiw to minimise the compensation payable even though the fault be that of the Railways.

13. An examination of corresponding provisions in case of English Railways immediately reveals the difference. The Railways in England do carry the responsibility of common carriers. It was only in India that the same administrators did not make the same provision. But now that the Railway is a nationalised service under a national Government, there is no reason that such a position should be continued. We feel that the Railways must assume the full responsibility as common carriers, and meet with all the claims of damages, destruction, deterioration or loss of the goods delivered to the Railway administration.

14. Regarding freight pools, we have given our views in answer to Q: No. 23. Coal in our country is concentrated in few regions. An alternative fuel like mineral oil or alternative power supply like Hydro Electric are not easily available and at economic rates in several Regions. Power is a mainstay of industry and this will therefore, mean that the bulk of the industries will have to concentrate where coal is availabla in easy reach at low prices. It is however an accepted policy that the industries should be decentralised as far as possible and regional development is to be planned and encouraged. Decentralisation of industries is only possible, if vital fuel requirement is available at a competitive rate. For this reason, in order to encourage all-round regional development of industries, it is suggested that a Freight Pool in case of Coal should be created. This will ensure availability of coal to all regions at competitive and reasonably economic prices.

15. In the First Five Year Plan, the country has experienced a sizeable increase in industrial and agricultural production. As a consequence, Railways were called upon to carry more goods and greater number of passengers. With the implementation of the Second Five Year Plan, it is estimated that the Railways will be required to carry about 90 per cent. additional traffic in addition to what they carry to day.

16. We know that the Railways are fully alive to this whole problem and the strain of transport involved as a result of the Five Year Plans. It is very necessary that this problem should be examined in its fullest aspect. The Lokur Committee is appointed to go into the question of co-ordinating Sea Transport and Railway Transport. The use of feasible alternative method of transport, *viz.*, the Coastal Shipping, carrying as it will, bulk commodities like Salt and Coal, will significantly relieve the strain on the Railways and leave the Railway free to more efficiently and effectively carry other commodities.

17. There is no danger of Shipping competing with the Railway. In fact, there is so much abundance of traffic that both the Railways and the Shipping will have their hands full. It is only necessary to co-ordinate in such a way that the transport requirements are satisfied without overlappping and at competitive economic rates.

18 Shipping is required to be expanded in national interest, an expansion in shipping is possible, if greater tonnage is ensured for movement by sea. But the present high level of coastal freights makes it uneconomical for any private organisation to avail of sea transport. It is, therefore, our responsibility to evolve a system whereby, the freights payable in case of transport by Sea are more or less the freights payable by the consumers when transport is done by Railway. This system may take the form of construction subsidy to the ships or a freight subsidy to the Shipping Companies. For expanding shipping and for relieving the burden on the Railways, a co-ordination of Railway freight and Sea freight is very essential.

19. Unlike the Railways, Coastal Ships carry huge quantities at a time. Whereas, a Railway B. G. wagon ordinarily carries 20 tons, and a train load may carry in the vicinity of 1,000 tons, a common Coastal Carrier carries about 8,000 tons in a bulk at a time. We, therefore, feel that wherever possible commodities like Salt and Coal can more conveniently be earmarked for carriage by sea. Even if transport of these commodities for regions near the ports, to and from and near the ports are earmarked for sea transport, we feel that the Railways will significantly be relieved of their burden and shall be free to cater the interior needs of the country.

20. It is clear that Shipping as it is, may not and will not be in a position, to offer competitive rates with the Railways. This seems to have been the case even in other countries like U. K., Japan and other countries, where shipping is subsidised in the national interest Soon after the World War II, the British Government seem to have paid, during 1946-50, to coastal shipping subsidy of about £4,50,000 a year, to 14 Coastal Companies under their Freight equalisation Scheme, in order to prevent diversion of cargo from Sea Transport to the less expensive, but over-burdened, Inland Transport System. Some such action will have to be taken by our Government.

21. The long seaboard of Saurashtra presents many interesting problems of transport and equally interesting solutions if some effective co-ordination as mentioned above can be established between sea and rail routes, *i.e.*, to say make conditions attractive for drawing traffic where traffic is required and not by imposing uneconomic restrictions If we have to reduce the strain on the Railway system, every effort shall have to be made to make conditions including sea freight rates easy and competitive for the users of transport. It is axiomatic that water transport is cheaper than rail transport. Some have gone to the length of stating that the ratio between the two is one to eight. Conceding that rising costs of coal and labour may have reduced this ratio, the present parity and in some cases wide excess of sea freights over rail freights require a thorough examination. The encouragement and inducements which the Government of India are offering to coastal shipping are undoubtedly necessary and more than justified but that should not overlook the economics of sea transport and the necessity of keeping sea freight at comparable levels. This whole subject is being examined by the State Government with reference to Saurashtra conditions. There is obviously the strongest case for a reduction in sea freights so as to relieve the

heavy strain on Railways to which reference has been made in the Questionnaire. This strain on Railways is going to increase considerably in years to come and more and more cargo will have to be transported by sea route in national interest. We therefore earnestly hope that as a result of the examination of this question by the Lokur Committee and by the Transport Ministry, sea transport will be very considerably expanded so as to supplement and even take off the major portion of the increasing burden of transport on our Railways.

PART I-A.

Q: 1. It is too early to judge the effect of adopting the principle of telescopic rates on industry and trade. This is particularly so because of the grave shortages in the availability of transport from the Railways. In view of inadequate transport facilities, the Consignors are more concerned with movement of goods rather than with rates and hence the effects can only be appreciated, when the traffic moves freely.

Q: 2. There is need for greater flexibility in the rating arrangements, but in order that there may be an uniform policy and system of charges on all Railways of the country, it is desirable that the power to vary the rates within a certain range should be so vested as to make redress quick and not open to discrimination.

Q: 3. The principle of class rates and wagon load scales at present prescribed, may not be disturbed. It is, however, felt that, certain *inter-se* changes of commodities, in the various classes is warranted.

(i). One of the principles borne in mind in the classification of commodities is and should be "what a commodity can bear". In some general classification this has resulted into anomalous position, *e.g.*, the classification of Chemicals is so broad and the commodities falling under this category have such a wide range of price variation that, a common class of freight rate for the entire class of commodities is not justified. There should be an effective and prompt machinery to change the class of particular commodity, when a proper case is made out.

Q: 4. There is no justification for carrying traffic free beyond 1,500 miles. The telescopic rates will take care of longer movements.

Q: 5. (*i & ii*) The present terminal charges are high and act as a penalty. We are of the opinion that there is no justification for multiplicity of charges in carrying goods from one point to another. All these services, such as transhipment, terminal handling, small distance haulage etc., should be covered in the rates on the principle of averages. In this connection, we would like to point out that the present surcharge on Smalls, is quite unjustified. The freight rates are so framed as to take into account all the services rendered by the Railway as Carriers. The question of loss of revenue, from reduction of such charges by themselves does not arise for, as stated above, the freight structure itself would include the return for all services, etc. The Committee does not anticipate any overall loss arising out of the change.

Q: 6. The present distance unit of one mile should continue.

Q: 7. In our opinion, the minimum distance for charge should be ten miles for Goods Traffic and not twenty miles as at present.

Q: 8. There should be no separate charge levied for empty haulage of tank wagons. Whatever the cost to the Railways for haulage of empty wagons should be absorbed in the freight rates, for taking liquid commodities in tank wagons.

Q: 9. *Status quo* may continue.

Q: 10. The total number of classifications as at present, may remain unchanged. There is need, however, of re-classifying certain commodities.

Q: 11. There does not appear any justification for discriminating between goods on the strength of their size or weight. There should be no surcharge on the carriage of smalls, as such discrimination is likely to result in prejudice to the small traders and the small manufacturers.

Q: 12. It is not necessary to vary the charge with the class of commodities carried.

It is felt that the carrying capacity of wagons on the basis of which minimum charge is levied, is not always in accordance with the actual capacity. Further more, the carrying capacity is dependant upon the load volume ratio and in several cases, this works to the disadvantage of the Consignors, *e. g.*, in case of Timber, it is observed that the official carrying capacity of wagons is much more, in some cases as much as 40 per cent more than the actual cargo that can be carried.

Q: 13 (a) It is suggested that the minimum charge for "smalls" be kept at eight annas.

(b) The minimum charge should not vary with the class of commodities.

Q: 14. The minimum weight for "Smalls" consignment carried by the Goods Train should be kept at ten seers.

Q: 15. It is suggested that all commodities upto a maximum weight of five maunds per consignment be placed in one class.

Q: 16 (i) No alternative suggested. It may be added that where the labelled capacity of a wagon is excessive, the same may be revised to meet with the actual conditions.

(ii) Not necessary. Please refer to answer to Q: 11

(iii) In order to encourage loading upto the fullest extent it is suggested that rates for quantities loaded beyond minimum rates per wagon fixed for different commodities may be subject to an adequate reduction.

Q: 17. We do not consider it desirable to have train load rates as a feature of the Railway Freight Structure. Any inducement in this direction may result in prejudice to the general movement of traffic.

Q: 18. For the present, in view of the grave shortages of wagons and tractive power this is not desirable.

Q: 19 & 20. None.

Q: 21. (a) The Railways as carriers should not refuse the traffic offered to them. It should be left to the users to choose a particular mode of transport.

(b) See (a) above

(c) See (a) above. The rates between any two Ports should be equalised both by Rail Route as well as the Sea-Route, subject to the over-riding consideration, that limit of Rail freight may not be raised.

Q: 22. No comments to offer.

Q: 23. It is suggested that Freight Pools should be created in case of Coal, Salt, Chemical Manures, industrial fuels like Furnace oils, Cement, Iron and Steel. In case of traffic moving over-say a distance of less than 100 miles, these commodities should be excluded from the Freight Pool.

Until we have enough experience of how the Pool works, no further commodity should be included in the Pool. It is suggested that the Freight Pool should be created only for Salt, Coal Chemical Manures, industrial fuels like Furnace oils, Cement, Iron and Steel.

Q: 24. No comments to offer.

Q: 25. In the four categories that we have advocated, the Pool should be managed by the Railways.

Q: 26. Any increase that is likely to take place in the movement of traffic, owing to implementation of the Second Five Year Plan, will pay for itself by way of increased revenues and no upward change in the freight structure on that account, is indicated. On the contrary, the increase in traffic both passengers and goods should result in lowering the cost of carriage after some time.

Q: 27. Yes. There are some instances in which the waiver of short distance charge was not allowed, for example, the transport of Lime-stone.

Q: 28. Complete information is not available. For an instance station-to-station rates were asked for from Chorwad to Dhangadhra for lime stone, but there has been no response.

Q: 29. The revision of freight structure in 1948 has not resulted in any adverse effects generally.

Q: 30. A wide use of station to-station rates by the local railway authorities is not favoured. In fact, the general freight structure, should obtain in all cases and for the whole country. It is, however realised that there may be particular cases deserving of special attention. In such cases, an appropriate authority should grant the special concession, but wherever station-to-station rates are quoted the same concessions should be available to stations similarly situated, on pro-rata basis.

Q: 31. The railway being primarily Carriers, it is their function to provide all the transport that may be demanded of them, and that too economically. It follows therefore that the structure should not be used for any ancillary purposes, the concept of the Railway management being that of autonomous management on a commercial "No loss no profit basis".

Q: 32. No.

Q: 33. Various departments of the Government of India, have already been assigned the requisite functions of helping to establish the new industries and to help individual cases. It is not necessary that the Railway may carry this burden.

Similarly, in case of under-developed areas, special grants and loans are given by the Government of India for various purposes. Railways may not duplicate what is already being done by other ministries of the Government of India.

Q: 34. It cannot be said that the levy of inflated mileage is justified in case of new construction where earnings are estimated to fall short for a limited period. On a practical point of view, such inflated mileages need not be adopted at least in the first instance. It is understood to have been the experience of the Railways that the lines estimated to bring in inadequate return not in frequently pay their way when actually constructed and worked, despite adverse apprehension of the traffic survey. This is also because the traffic survey officers are generally conservative in their estimate of earnings while engineering survey officers are cautious to provide the cost on a liberal scale to avoid any excess over capital expenditure. Secondly, one has to consider that inflated charge would hamper the flow and creation of traffic over the new lines. Moreover, it is possible to build new lines on the principle of austerity confining the first construction in such cases to essential skeleton works only bearing in mind the first priority requirements for carriage of goods. This method will reduce for the time being the capital expenditure of new lines to a considerable extent. Big station buildings, extra lines, interlocking station signalling, control apparatus, some of the amenities etc., may well be allowed to follow in the second phase of the construction. The intervening period will mostly disclose the accrual of adequate returns. Generally speaking, the Railway rates structure is of a complex nature and the financial solvency of Railway cannot ordinarily be judged by what a section earns or spends. It is for the entire system to meet the working expenses to the full and yield interest with some surplus profit. For the above reasons, new lines appearing to need the inflated mileage should be constructed without any such extra levy where they are justified on other grounds *viz.*, Administrative convenience, opening of the undeveloped parts of the country, assisting the development of Ports, welfare of the public etc. If at the end of a reasonable period say about 6 years, it is still found that a particular line is not likely to meet its working cost, the introduction of inflated mileage should be considered.

Q: 35. The economic and industrial development of a country considerably depends upon an efficient and cheap transport. The Railway policy should be geared to this end. The Railways should work on "No profit no loss" basis.

They must earn sufficient revenues to meet with the operational and maintenance

costs, pay the interest on the Capital Outlay and, at the most, subscribe to the revenues to the extent already prescribed by Government. An undertaking of this nature, on which the burden of economic and industrial development of the country, to a large extent devolves, cannot be a tax collector for the Central Exchequer.

Normally, the Railways being of the nature of a commercial undertaking, need not, to a large extent finance their capital projects, from revenue surpluses. The Railways, should take recourse to normal method of borrowing. If for every project attempt is made to have revenue surpluses with a view to finance capital expenditure, it will mean that the rates are to be enhanced and this will militate against the rate of industrial and economic expansion.

Q: 36. The Railways should finance its operational and maintenance costs and pay for the interest on the capital from the revenues surpluses built up in the forms of of depreciation fund or small general funds should be utilised for replacement purposes and for additions of minor nature or for improvement in the services. For any significant addition as already stated, in reply to Q: 35, the Railways can with advantage, resort to borrowing. As a matter of fact, for several years to come there would be hardly any such surpluses after meeting all the above charges, and providing for rapid expansion.

Q: 37. It should not be the function of the Railway freights to be used as a subsidy, however praiseworthy the object may be.

Q: 38. In fixing the ceiling rates of commodities, Government does take into account the factor of freight. Therefore, instead of disturbing the freight rates, ceiling prices should be adjusted accordingly.

Q: 39. We are, generally of the opinion that no commodity should be carried below direct cost. If there are any such instances, it would be advisable to make suitable changes in freight in a gradual manner, so as not to upset the economics of industries.

Q: 40. We do not feel that the cost of haulage of additional traffic as a result of the implementation of the Five Year Plan, would not be more than the average cost of haulage at present incurred by the Railways. There should be an economy in transport resulting in reduction in the average cost of haulage because of high prices of capital goods. For this reason, there is no ground for a general enhancement of freight rates.

Q: 41. There are departments of the Government of India looking after the export interests of the country and the Railways may not be burdened with this function. The Railways should have a more or less stable system of rates except in so far as that the Appropriate Authority on the basis of merits of individual cases, may deem fit to suggest concessional rates.

Q: 42 & 43. There is an increase in the quantum of movement of commodities. If transport were adequately available, the quantum might have been still higher. As regards direction and range of movement, the position is very fluid owing to the partial removal of controls. For example, in the case of Salt, where the control continues, more circuitous and costly routes are enforced. The pattern for instance, in the movement of Coal, has been changed due to present high level of sea freights.

Q: 44. This question concerns individual industries and trade.

Q: 45. In general terms, the element of freight in the requirements of the agriculturist such as Chemical manure, Seeds, Diesel Oil, etc., does not appear to act as a deterrent.

Q: 46. Agricultural: In the period 1948-49 to 1954-55, agricultural produce has shown remarkable increase. The following table shows the actual increases:—

(Yield in tons)

Names of commodities.	Year 1948—49.	Year 1949—50.	Year 1950—51.	Year 1951—52.	Year 1952—53.
Food Crops ...	1,81,300	3,26,360	2,86,790	1,74,180	3,13,700
Oil Seeds ...	56,100	1,61,600	2,46,800	1,03,900	1,52,800
Cotton ...	89,500	1,55,900	2,15,600	1,02,000	1,58,700
(Lint Cotton) ...	(Bales of 362 lbs each)	(Bales)	(Bales)	(Bales)	(Bales)

	Year 1953—54.		Year 1954—55.
Food Crops ...	4,05,430	...	3,56,300
Oil Seeds ...	2,71,820	...	4,26,940
Cotton ...	2,01,800	...	2,52,700
(Lint Cotton) ...	(Bales)	...	(Bales)

It may be remarked that foodgrains movement is restricted to Saurashtra as, before these increases, the State was in deficit. Therefore, the majority movement is within the State. The surpluses of oil seeds and cotton amounting to 75 per cent, after meeting the internal demand, are exported, mostly by sea and rail. Against these actuals, the Second Five Year Plan estimates the increase by 22% in food crops, 30% in oil seeds and 50% in cotton production involving a larger quantity of goods to move out side the State.

Q: 47. (i) Our suggestions for short distance are already covered in replies to Q: 5 and 7. Beyond that we do not suggest any adjustment. The suggestion in replies to Q: 5 and 7 are for all commodities and it is not desirable to discriminate industrial production from the agricultural produce.

(ii) The Railway Administration should provide warehouses for temporary storage.

Q: 48. The industrial development estimated in the Private Sector during the Second Plan Period in Saurashtra will be of the order of Rs. 70 crores. The total extra new traffic will be of the order of 27,11,000 tons.

Q: 49 The volume of extra traffic has been given in reply to Q: 48. Length of movement is difficult to estimate.

Q: 50. Total traffic estimated by the end of the year 1960 will be about 41·45 lakhs tons whereas the present traffic (1953-54) is 14.34 lakhs tons. This means that the extra traffic generated by the end of 1960 will be approximately 27·11 tons. The new traffic in principal commodities is shown in Appendicies I, II and III. (A report of the Committee appointed to go into the question of expansion under the Private Sector during the next Five Year Plan period is attached herewith †) [† *Not printed*]

Q: 51, 52, & 53. In the Public Sector, for the present no expansion is envisaged except in the development of Electricity. The electricity supply is estimated to go up from the present capacity of 39,900 K. W. to 97,800 K. W.

Q: 54 & 55. Please see our opening remarks.

APPENDIX I.

STATE OF SAURASHTRA.

Outward Traffic Annually.

Via M. G. and B. G. (excluding local traffic)

Commodity.	Present Traffic 1953—54.	Estimated Traffic in 1960.
	(In Tons)	(In Tons)
Salt	1,17,000	5,00,000
Grains	27,000	75,000
P. O. L.	84,000	84,000
Cement	62.000	1,60,000
Stone, Cuptchi and Tiles	26,000	2,00,000
Timber	11,000	15,000
Garlic and onions	7,000	15,000
Cotton	22,000	25,000
Oil Seeds and Products	30,000	2,00,000
General Goods (including Potteries) ...	2,00,000	4,00,000
	5 81,000	16,74,000

APPENDIX II.

STATE OF SAURASHTRA.

Inward Traffic Annually.

via B G. and M. G.

Commodity.	Present Traffic (1953—54)	Estimated Traffic in 1960
	(In Tons)	(In Tons)
Coal	5,18,000	20,46,100
Cotton Seeds	33,000	40,000
Jagree & Sugar	33,000	40,000
Grass	18,000	20,000
Grains	15,000	20,000
Fresh Fruits	11,000	15,000
Iron and Machinery	11,000	25,000
Timber	7,000	10,000
C. P. Goods	4,000	5,000
General Goods	2,03,000	2,50.000
	8.53,000	24,71,100

APPENDIX III.

Estimates of Rail-Borne Traffic to and from Saurashtra.

The total figures of present traffic and estimated traffic in 1960, to and from Saurashtra are approximately as below:—

Present Traffic (1953—54)			Estimated Traffic in 1960
	(In tons)		(In tons)
Inward	8,53,000	...	24,71,000
Outward	5,81,000	...	16,74,000
Total	14.34,000		41,45,000

PART II.

Q : 1. This Committee has no information about it. It will be readily available from the Railway Administration.

It should not be difficult for the Ministry of Railways to ascertain in respect to 5 or 6 commodities such as Piece-goods, Dyes, Paints Machinery, Motor Cars, Grain, Sugar etc., where the public avail themselves of the insurance by railways by sending these goods at Railway Risk Rate. It is feared that, on account of the bitter experience due to the recalcitrance of the Railway Administrations in admitting liability, Commercial Interests many a time prefer to avail themselves of the lower Owners' Risk rates to cover transit hazards by effecting the insurance with a private Insurance Company. Even when booked at Railway Risk Rates, Railways are known to repudiate claims on the plea of "Running Train Theft". There are several instances of this kind.

This preference for outside Insurance Companies points to another undesirable feature in Railway Rating namely the lack of actuarial harmony between the Railway Risk and the Owners' Risk Rates.

Q : 2 & 3. The extent to which the traders resort to private insurance is presumed to be small The data asked for are not with the Committee.

Once the railway accepts responsibility as carriers as they do in other advanced countries, the problem would solve itself. The difference between Railway Risk and Owner's Risk rates based as they are on *ad hoc* consideration are higher than what the risk involved would justify. The insurance premia that the consignees have to pay to outside Insurance Companies are also on higher level because of higher incidence due to the careless and indifferent handling by the railway staff and also due to the difference between R.R. and O.R. Rates.

The Railway should ensure prompt payment of claims and should not take resort to technical objection in meeting claims. If this suggestion is accepted, it would be possible to reduce the difference between the Railway Risk and Owners' Risk rates as also to bring down the premium ot Commercial Insurance Companies.

Q : 4, 5 & 6. The information would be available with the Railway Administration. What a shipper wants is not compensation but safe delivery of his goods to his customer. It may be mentioned that the handling arrangements need to be completely overhauled and revolutionised besides making mechanical handling arrangement at important stations ; handling of bags by hooks by the labour should be discouraged and proper loading and unloading facilities on platforms having sliding arrangements should be provided as far as possible so as to avoid damage to the goods by head loads.

Q : 7(a). Although the liability of the railway is extended to cover cases of negligence the onus of proving it is thrown on the trader which he can never be in a position to discharge.

(b) It is not known that the extension of liability has operated to the disadvantage of the railways, but it is recommended that the distinction between Railway Risk and Owners' Risk should be removed altogether by keeping railway risk rates only. As such there would be no question of narrowing down the margin between the two. The removal of the distinction should not result by itself in any upward revision of Owners' Risk rates.

Q : 8. As recommended in reply to Q : 7, above there are no reasons for the various distinctions named here.

Q: 9. If the distinction between the Railway risk and Owner's Risk Rates is to continue, the difference must be the premium which a Commercial Insurance Co. would normally charge for under-writing similar risks. It may be mentioned in this connection that the risks accepted by the Insurance Companies are much wider than the cover which Railway Risk provides. It is therefore obvious that the difference should be proportionate to the risk undertaken by the railway administration.

Q: 10. It is desirable to withdraw the alternative Owner's Risk classification. We do not advocate any exception.

Q: 11. In view of what is stated above, the same principle should apply to excepted commodities. If by reason merely of being excepted commodities, they are put in a higher classification there would appear to be no justification for another enhancement.

Q: 12. For reasons of simplicity, any rebate in freight for the Owners assuming Railway Risk liabilities is not advisable.

Q: 13. Packing conditions for both Railway Risk and Ownes' Risk should be uniform.

Q: 14. As regards the forwarding note a procedural change is suggested. The forwarding note is a basic document for claims. The note is filled up by the consignors and is filed at present at the forwarding stations. There is however a gap in co-ordination as it is not the consignors but the consignees who have generally to file and fight for the settlement of their claims. It appears necessary, therefore, that the original entries in the forwarding note at prosent not shown in the Invoice/Receipt should be transcribed word by word in the invoice, the form of which may be suitably revised for this purpose. If this suggestion is adopted it would make available primary data, not only to the consignees but also to the station masters and District Traffic Superintendents of the destination stations. The facts being available fully at the receiving end, the settlement of claims will be greatly facilitated, reducing to a minimum unnecessary correspondence and delays.

It is suggested that the consignor may prepare their own Railway Receipts and hand them over to the booking office for checking and acceptance. This would be in consonance with trade pratice under which shippers prepare their own Bills of Lading and hand them over to Steamship Companies for checking and acceptance. Similar practice is already followed by the Postal Department in acceptance of Money Orders as well as Bank Challans for payment of Government dues. In any case the forwarding note being an important docu-

ment, it must be enjoined upon the staff that this note should be filled most meticulously and that no erasures or alternations must be permitted, and that the whole note should be in the hand-writing of the despatcher or his authorised agent.

Q: 15. The present standard packing conditons being evolved from long experience and in view of the existing conditions of trade and industry, both large and small, any tightening up of packing conditions will impose unnecessary burden on the people. There is scope for relaxing existing packing conditions and admitting alternative packings. Large industries are progressing towards standardisation of packing and the rest of the country will follow, in due course, of their own accord. Attention is invited to specification of packing evolved by the Indian Standards Institution.

In case Indian Standards Institution specifications are not laid down, packing conditions should be evolved in consultation with the Chambers of Commerce or Trade & Industrial Associations.

Q: 16. Please see reply to Q: 15 above. Packing condition when notified should be uniform for carriage as parcels or as goods. The type of packing specifications laid down should be framed as stated in reply to Q: 15 above.

The endorsements by the Railway staff on packing are almost always unwarranted and designed to reduce the liability of the railways. Such incorrect remarks lead to unpleasant disputes between the Consignor and the Consignee.

It may be pointed out that it is equally important to improve rough handling done by the labour employed by the railways. Railways should be well advised to study the standard practice of handling adopted in advanced countries where the goods are not thrown from the head loads nor do they use the hooks on the bags or bales which result in damaging the goods much more than the actual standard packing could withstand.

Q: 17. The railways should provide warehousing for goods tendered to them for despatch and also goods received at destinations pending delivery. Warehousing of a commercial nature may be undertaken by such bodies as Banks, Co-operative Marketing Societies or private persons and all facilities should be given to them. Where land is available within railway precincts with siding, the administration should lease the necessary land on easy terms.

Q: 18. When the trade and industry entrust their goods to the railway for carriage, the goods are at their mercy and yet the liability of the railways is limited. This is not a satisfactory state of affairs, and it would be certainly worthwhile to consider the proposition that the railway's liability should be increased to that of a common carrier.

It is not desirable to continue the present position of railway as 'bailees'. They should assume fully their liabilities as Common Carries under the ordinary law of the land. It is understood that this concept of 'bailee' is a vestige of British managed railway companies in India. It is high time that Indian Railways fall in line with other advanced countries where this liability is acceptable by the Railways as a matter of course.

Q: 19. Greater vigilence of the Police and honesty of the staff is indicated. In detected cases, punishment should be deterrent. The public can do very little in this direction.

Q: 20. The required data should be readily available with the Railway Administration. It is not apprehended that the bills for claims would mount up considerably if the administration exercised proper supervision, and introduced better methods of handling. Even if it is found that these claims are running high in the initial transitory period, the fact of acting as a Common Carrier, is bound to achieve the desired effect as this will inculcate greater responsibility in the staff to handle goods very carefully.

Q: 21. It is not known whether fictitious claims are made ; but it is known that even genuine claims are repudiated for what can only be regarded as flimsy reasons. No shipper of goods desires that he should obtain compensation from the railways for loss or damage or deterioration of his goods. What he wants the railways to do, is to carry his goods cheaply and safely. Even when compensation is paid, the merchant is put to great inconvenience by the fact that his goods have not reached his customers in a safe condition.

Special attention is invited to thefts and pilferage sometimes of entire wagon loads of commodities which are under controlled distribution and as such in short supply and irreplaceable, e.g., Iron & Steel, Cement, etc. The breakdown in the building programme and consequential loss can never be adequately compensated by the railways even if the full money claim is paid.

It will therefore, be realised what loss in prestige, as well as in money, is suffered by merchants when goods are damaged or lost, the more so, when there is the inexcusable delay in the settlement of claims.

Weighment:—Owing to either absence of proper weigh-bridges at trafficable stations or owing to differences in weights merchants suffer both inconvenience and losses and have to face disputes. It is therefore suggested that immediate provision should be made for installing weigh bridges. To ensure correct weighing, frequent calibrations should be carried out.

PART III

Q: I (a) The Railway Rates Tribunal should be given wider powers and should be empowered to reclassify a commodity both to a higher class and to a lower class. The Railway Rates Tribunal should be constituted almost like the Indian Tariff Commission and should act in the spirit of an Advocate Judge. They should go into the merits of each case and should be empowered to take steps accordingly. It is anomalous to authorise the Tribunal to put a particular commodity in higher class, but deny them the power to classify it in a lower class.

There is no doubt that a great advance was made by instituting the Railway Rates Tribunal, and as far as can be ascertained, the functions of the Railway Rates Tribunal are not adequate for the purpose for which

it was set up. On a broad interpretation of Sections 41 and 42 of the Indian Railways Act, there is hardly any matter which can be said to be outside the purview of the Railway Rates Tribunal, but unfortunately the terminal charges have specifically been removed from under their jurisdiction. This exclusion is not justified.

The Government should not be frightened that the Tribunal would reduce the terminal charges without any valid justification. But since terminal charges are a compound of various fees such as loading and unloading, invoicing, labelling, marking etc., it should be possible for the public to challenge the refusal of the Railways to reduce these charges when certain specific functions are performed by the public themselves and not by the Railways. This has particular significance to the traffic at Saurashtra Port stations where terminal charges are levied on the movement of goods within the Port area itself. The quantum of these charges is unjustified as (i) it bears no relation to the services performed by the Railway, and (ii) it is an excessive burden on the traffic. An additional argument in favour of streamlining these charges is to be found in the desire of the Government to provide alternative sea-route to relieve the pressure on rail-route.

There is one useful direction in which powers of the Tribunal can be increased. Tribunal is to include research into commercial methods of operation. The Tribunal could obtain and study reports from all over the world and suggest improvements which the Railways of India could adopt.

It is suggested elsewhere that the Railway Rates Tribunal should preferably be a moving body visiting important centres of trade and industry, rather than be stationed at one place like Madras. This will enable the Tribunal to make on-the-spot inquiries and also will be a great facility to the trading community to make representations.

(b) It is agreed that the Railway Rates Tribunal should be empowered to initiate investigations in regard to freight rates. The anomalies that exist to-day, could have been rectified much earlier if the Railway Rates Tribunal was given this power.

The progress in india is dynamic. The economic conditions, the industrial pattern, the sources of raw materials and the technological 'know-how' are continuously changing. With these changes, there is a need of continuous search and corresponding alterations in the freight stucture as well. This means that there is a need for continuous observation and investigation of the changes called for in the freight structure to suit altering transport requirements. When there already exists a body like Railway Rates Tribunal, this function can, with advantage, be delegated to this body.

(c) This does not arise.

Q: 2. As already stated in reply to Q. 1. (a) Railway Rates Tribunal should be empowered to reclassify a commodity, either in a higher class or in a lower class, depending on the merits of each case.

Under the existing provisions, the Railway Rates Tribunal have no power to reclassify a commodity to a lower class. This is unsatisfactory. Similarly the Government before classifying a commodity in a higher class has to approach the Railway Rates Tribunal for approval. This is as it ought to be. This Tribunal should be able to consider the merits of individual cases and decide as to whether a particular commodity should be up-graded or down-graded. The Government should not exercise this authority.

Q: 3. This would be a retrograde step. Once a classification exists, an enhancement should be made only after a public enquiry. The burden of proof must be laid on the Government, which is in a better position to justify its claim than would be the public in resisting it. Since a higher classification is sought, the appellant must be made to justify his request-not the other way round, where tha public would have to apply to the Tribunal for redress.

Q: 4. It has already been suggested that the Tribunal should move to important centres of commerce and deal with questions arising in those areas. Wherever possible, the procedure should be simplified and technical and legal considerations should not be given undue weight in deciding the issues.

Q: 5. It is doubtless true that the cases coming before the Railway Rates Tribunal are not finalised as promptly as they should be. Of course, there are many official explanations for this delay, though the most frequent cause, namely, the time given to the Railway administrations to file their statement could be quite easily curtailed since no trader takes the case to Court, unless he has a good deal of previous correspondence and argument with the Railway Administration.

It is suggested that after the filing of a case, only the prescribed one month's time should be allowed to the Railway for a reply without any further extension. Further, it should not be difficult for the Tribunal to arrange for a final hearing, after framing the issues, within a month or so.

Q: 6. One of the reasons for higher cost is the one-place location of the Railway Rates Tribunal at Madras, which is farthest from all important commercial centres, and Railway Zones. If Circuit Court idea is accepted, these hardships and costs will be removed.

The Tribunal should function as a business-like body on the analogy of the Indian Tariff Commission, handling cases expeditiously, cutting out all avoidable delays.

Q: 7. Since the Tribunal is in the nature of a court, it is but natural that the aggrieved party should seek the services of a lawyer so that his application may not fail on account of some mere legal or technical flaw.

It is certainly open to the Tribunal to make the hearing as informal as possible, even though their decision would have the effect of a legal pronouncement. Certainly an industrialist or a trader would be able to argue his case much better than through the mouth-piece of a lawyer as at present, but he is compelled to adopt such a procedure because of the emphasis on the legalistic aspect of the whole matter. This means that technicalities should be reduced to the very minimum and that no suit should fail because of some technical defect.

Q: 8. It is highly essential that the members of the Railway Rates Tribunal should be of the category of High Court Judges, with ex-

perience of Commerce and Industry. They should be appointed by the Law Ministry and not by the Railway Ministry, as is the case at present. The constitution of the Tribunal, in order to make it a completely independent body, should not remain under the influence of the Railway Ministry, directly, or indirectly.

Q: 9. At the present moment, it is a healthy tradition that the Tribunal should sit as a Bench. This ensures that individual bias is minimised to a great extent. The decision of a whole Bench would not be subject to as much criticism as could perhaps be levelled against a decision by a single member.

Q: 10. The present system is satisfactory and should be continued.

Q: 11. The powers of fixing freight rates must rest with the Government, who manage the Railways. But a decision against arbitrary rate fixation must lie with an independent Legal Tribunal whose decisions must have the force of law. A complaint arising from an incorrect freight rate is no different from that arising from undue preference or unreasonable charge for other services, etc. All this is correctly within the purview of the Tribunal.

Q: 12. It would be a retrograde step to abolish the Railway Rates Tribunal and to go back to the old policy of having an Advisory Body. The fact that the Railways are managed by the Government does not by itself, provide to the public any guarantee that the Railways would be run on strictly commercial lines, so that their policy would not be subject to criticism by the public who would then have to appeal to the originators of the policy themselves - a situation which can never be satisfactory.

It is arguable that since the Railways are governed by the Government, the necessity for an independent Tribunal, is, all the greater, so that there should be a balance against the weight and authority of the Government.

TRAVANCORE-COCHIN

Government of Travancore - Cochin,

(*Department of Industries & Commerce*)

Trivandrum.

PART I—A

Q: 4. The existing practice of not charging anything beyond 1,500 miles may be discontinued and traffic carried beyond 1,500 miles may be appropriately charged.

Q: 5. (i) Terminal charge may be reduced to the minimum possible.

(ii) 'Short distance' charge for haulage of less than 75 miles may be reduced to minimum possible so that more traffic may be drawn to the Railways which may be diverted at times to roads and canals.

(iii) Transhipment charge for break of guage may be also reduced to the minimum working out the actuals on the basis of actual expenditure incurred during past few years.

Q: 6. In order that the Railway may get revenue the existing practice regarding distance unit *viz.*, 1 mile may be continued

Q: 7. The minimum distance may be reduced from 20 to 5 miles.

Q: 8. Since actual expenditure is incurred in haulage of empty tank wagons, this may be charged and need not be exempted.

Q: 9. For administrative convenience grouping may be continued.

Q: 11. The rates for 'smalls' may be reduced to the minimum with a view to encourage trade in products of small scale and cottage industries which will not have wagon loads.

Q: 14. To avoid duplication and quicker delivery of smalls' the minimum weight to be carried by goods train may be fixed as 25 seers instead of 7 seers.

Q: 15. It is not advisable to place in one class 'smalls' traffic carried by goods trains of all commodities upto a maximum weight per consignment as it may adversely affect certain categories of goods.

Q: 16. To ensure better utilisation of transportation the suggestions given may be tried for 3 years.

Q: 17, Train load rates may be introduced as a feature of the Railway Freight Structure in addition to the existing three types of freight rates as this will help the industries to get bulk loads at a stretch instead of getting small quantities, according to availability of wagons.

Q: 18. Additional charge may be realised for express goods service.

Q: 19. Adequate number of cranes should be erected at necessary places and the rates charged may be minimum possible.

Q: 20. To allow better movement of live stock with a view to develop cattle rearing in the country the rates may be reduced to minimum possible.

Q: 21 In the special circumstances of this State whence the State Transport System operates and there are a number of canals and back-waters and to provide employment to a number of persons engaged in transport work, Railway may not carry short distance goods traffic where there are alternate modes of transport. The distance may be fixed as 10 miles. Suitable adjustments in freight rates may be made.

Q: 23. and 24. Freight pool may be considered in the case of copra, raw cashewnut, etc.

Q: 25. The freight pool may be operated by an appropriate Government agency.

Q: 26. With a view to reduce cost of production the freight rates for raw materials may be suitably adjusted. In the case of finished goods for export similar revision may be allowed so that our products may compete successfully in foreign countries.

Q: 30. Station to station rates may be allowed on a large scale so as to foster the development of new industries and to assist export trade.

Q: 31. Consistent with the economics of transportation the Railways should be used for development of agriculture, industry and trade. Profit alone may not be the criterion in fixing freight rates.

Q: 32. Yes.

Q: 33. The railways may assist in the matter The period may be fixed as 5 years by which time the new concerns may be able to stand on their own legs.

Q: 34. It is not advisable to recover on the basis of inflated mileage for a limited period in regard to construction of unremunerative lines consequent on increased labour charges and cost of raw materials. The difference may be made good from the general revenues of the Government of India.

Q: 35. Station-to-station rate in the case of movement of raw materials and for export trade, train loads freight in the case of articles which have to be supplied simultaneously and which can be stocked and telescopic rates regarding other cases.

Q: 36. The maintenance alone may be met from current revenues. Capital expenditure may be met either by borrowing or by diversion from Depreciation Reserve Fund or other reserves.

Q: 37. In the case of cottage and village industries special rates may be allowed regarding movement of raw materials, implements and finished products irrespective of any minimum weight Necessary certificates regarding bonafides may be provided from the branches of statutory or central institution set up by the Central or State Governments.

Q: 38. The ceilings have to be fixed after taking into consideration the transport charges also for movement of raw materials and finished products.

Q: 40. The operating expenses may be reduced to the minimum consistent with efficiency. The contribution to the General Revenues or Development Fund may be suitably fixed as not to affect the economic working and growth of Indian Railways.

Q: 41. In view of the necessity to develop export trade flexible rates have to be allowed.

Q: 46. There will be slight change regarding import of food grains into the State.

Q: 47. Warehouses started by Co-operatives with assistance of Government will help in the matter.

Q: 48. The details regarding Second Five Year Plan—private sector-are given below. A number of small units producing consumer goods are likely to be set up with the special facilities which Central and State Governments are offering. Three schemes under Private Sector have been approved by Government in the Second Five Year Plan. They are manufacture of Synthetic Corundum, a new industry in the State. Sand lime bricks and white cement manufacture, both are expansion of the existing units. These are major industries and expect to achieve considerable progress in the plan period.

Q: 49. There is bound to be increase in traffic as a result of industrial development.

Q: 54. The basic principles in framing the railway freight structure should be development of agriculture, industry and trade to solve the problem of unemployment and to raise the standard of living of the masses. The Railways may also contribute substantially to the general revenue of the country.

Q: 55. No.

PARTS I-B, II & III

No information is available.

Government of Travancore-Cochin,

(Revenue Department)

Trivandrum.

GENERAL.

I am directed to forward herewith a 'note' on the subject regarding (i) improvement in the facilities of movements of forest produce and (ii) examination of revision of railway freight rates for timber and other forest produce.

The following aspects are also suggested with regard to Railway Freight Structure.

(1) The present freight is applicable to all species without distinction and it would be advantageous if (i) Teak and Rosewood (ii) Hard wood species of superior quality and (iii) Soft wood species especially Match and

Plywood timbers are distinguished and freight reckoned more or less on their market prices and importance to industries.

(2) Better Wagon Supplies and facilities for Storage and despatch of timber and firewood at main loading station would also go a long way to remove the present bottleneck in timber trade.

NOTE.

The main forest produce that is transported by rail outside the State is timber including round and sawn. The supplies are made usually to meet the demands of Indian Railways and also of the Government of India. The Railways and the Central Government often contact the State Government for the required quantity of timber and the transport is done under the supervision of Government. The local merchants who bid timber from the depots of the State often find markets for timber outside the State and hence they export the timber to the adjoining towns of the Madras State for sale for constructional purposes, to meet the railway demands, for sleepers, and other Government of India demands.

2. In addition to timber, Minor Forest Produces, such as rattans, resins and tanning materials and some medicinal plants are also sent by train to various destinations. Firewood is also transported rarely through wagons.

3. The forest produces are usually transported by rail from rail-head depots such as Ernakulam, Chalakudi, Punalur, Shencottah, Thenmalai etc., to destinations like Kallai, Tinneveli, Trichinopoly, Perambur, and other important centres as Bombay, Calcutta etc. In short the forest produces have to be transported all over India according to demand.

4. Routes involved—Mainly Southern Railways.

5. The bottlenecks regarding movement of timber by rail are mainly attributed to the following reasons:—

(a) The difficulties of procuring railway wagons in time.

(b) Comparatively short time allowed for loading wagons.

(c) Want of sufficient space in the Railway station Yard for storage of produce till the wagon is ready.

(d) Want of loading facilities in wagons as moving cranes etc., in all the stations.

6. In addition to the above disadvantages, the merchants who usually transport timber by rail have to wait for two to four months to secure the Special type of wagons like BFT, BKCF, FT and Open. Due to the undue delay at times for securing wagons, the merchants are often compelled to cancel the orders undertaken by them.

7. The railway freight often depends on the distance the produce has to be taken. Usually the responsibility of the merchants transporting timber ceases when the timbers are loaded in wagons, while the railway freight is paid by the purchaser on arrival of the produce at destination. If the railway freight is suitably modified and reduced the export of soft woods and inferior junglewood which are not generally done at present being not economical, can also be made at a reasonable profit to Government or the consignee transporting the produce. Further the decrease in the Railway freight will naturally facilitiate the timber merchants to secure more orders from outside at a more competitive rate. As the freight is often paid by the consignee any reduction of freight will be more attractive to the consignee as the ultimate total cost will be cheap for the purchaser.

8. Another important factor which handicaps the Ernakulam merchants in transport of timber by rail is that private parties are not allowed the loading facilities at Ernakulam station. The timbers bid by them from Ernakulam Government Timber depot have to be taken to Cochin Harbour Station for loading in railway wagons. This procedure would cost more for the merchants and hence they will be naturally inclined to bid Government timber at a lesser rate to make good the extra cost incurred by them for transport. Since Ernakulam is an important station, loading facilities, now available there, have also to be necessarily extended to all who require them.

9. The timber merchants who usually transport timber to northern parts of India are not willing to reveal their selling rates at destination. But from the keen demand for timber and the large quantities transported, it can be presumed that the merchants earn a good profit by the transaction and a reasonable reduction in railway freight will increase the trade of timber and other forest produces considerably. Further, softwoods and inferior junglewoods, which are not now transported to northern parts of India being uneconomic owing to increased railway freight can also find demand if the transport facilities are increased and the freight charges decreased. Besides, the delay in getting wagons often limits the supply of certain softwoods which might get deteriorated if stored for a long time.

10. The market prices of timber at destination in places like, Madras, Madura, Nellore, Kallai, Bangalore, Cannanore, Trichi, Kumbhakonam, Chidambaram, Tuticorin, Calcutta etc. may have to be ascertained by local enquiry at these places and vary considerably with the quality, quantity and size of timber supplied.

UTTAR PRADESH

Government of Uttar Pradesh

(*Department of Industries & Commerce*)

Lucknow.

GENERAL

Development and growth of industries require availablility of easy and cheap transport of industrial raw materials to the factory sites and of finished products from the factory premises to the consuming centres. Any sort of disturbance in the regular flow of traffic would inevitably result in national loss.

The Railway freight structure has far reaching effects on trade, industry, commerce as well as on the Railways themselves and as such the same needs intermittent if not constant revisions to keep pace with the changing conditions and varying emphasis on different sectors.

PART I-A.

Q: 1. (a) The goods freight rate structure adopted in the year 1948 was mainly based on the principle, "the longer the distance the lower the charges", but in some cases such as industrial raw-materials required in the Chemical Industries the freight rates were increased by as much as about 300% and above, which has had an adverse effect on the development and prosperity of the chemical industries in the shape of higher costs.

With the introduction of telescopic rates from 1948 on the movement of goods, the special preferential rates from station-to-station were discontinued. This has an adverse effect on the movement of many raw materials such as cotton, steel, coal, coke, pig iron, jute etc., specially due to long haulage from distant places where these raw materials are available to the mills at Kanpur, the industrial metropolis of Uttar Pradesh as well as other important industrial centres in the State. This has resulted in an extremely unfavourable position for the industries, mills and factories situated at Kanpur and other industrial centres of this State, which are not in a position to compete on equal terms with the products manufactured at favourably situated industrial centres like Calcutta, Jamshedpur, Ahmedabad, Bombay, Madras etc.

The benefit of the telescopic rates has largely been offset by an upward revision of classification. For example in respect of the raw materials for Chemical Industries, the following comparative rates are given before and after 1948.

Raw material for Chemical Industry.		Class before 1948	After 1948
1. Acid Hydrochloric and Nitric	...	9 O. R. 10 R. R. (Owners risk)	15 (Railway risk)
2. Acid Sulphuric	...	6 O. R. 7 R. R.	14
3. Alum	...	1	4
4. Alumina Ferric and Sulphate	...	1	4
5. Soda Bichromate	...	3 O. R. 4 R. R.	9
6. Bauxite	...	1	6
7. Sulphur	...	1	9

Alumina Sulphate Ex-Kanpur Pre-1948				After 1948	
		Rs. a. p.		Rs. a. p.	
Hyderabad	...	1 5 10	Per maund.	2 13 11	Per Maund.
Jagadhri	...	0 10 10	,,	1 4 4	,,
Sirpur-Kaghaznagar	...	0 13 1	,,	2 6 7	,,
Poona	...	0 13 6	,,	2 11 10	,,
Hadapsar	...	0 13 6	,,	2 11 10	,,
Allahabad	...	0 4 2	,,	0 7 8	,,
Banaras	...	0 6 10	,,	0 12 0	,,
Raniganj	...	0 12 6	,,	1 11 5	,,
Ujjain	...	0 8 11	,,	1 7 6	,,
Motijheel	...	0 8 4	,,	0 14 6	,,
Saharanpur	...	0 8 4	,,	1 3 9	,,

(b) The introduction of the telescopic rates might have been helpful to industry, but the expectation on the whole bas been belied owing to the upward revision in the general classification. The instances of such adverse effect to Chemical industries have been stated above. In this connection the recommendations of the Railway Equipment Enquiry Committee, to the effect that uniform prices should be introduced for basic raw materials in order to encourage equitable industrial development in the country and that for this purpose at least one centre in every State should be declared to be a "part" for the purpose of uniform prices for essential raw materials, are worth serious consideration. It is accordingly recommended that Greater Kanpur be declared by the Government of India a "Part" for these purposes.

(c) No statistics on this subject is available.

Q: 2. (a) Since the introduction of telescopic rates in 1948, there has been no possibility of obtaining quotations of station to station rates or for obtaining preferential rates for any particular commodity on its own merit.

For instance, the steep increase in freight rates of cotton and the withdrawal of concessional rates has hit the textile industry of this State very hard, and there is an urgent necessity for the reintroduction of concessional rates for many commodities which are consumed as industrial raw materials such as cotton, iron and steel, jute, coal, coke etc. Owing to the excessive freight paid on their transportation from importing ports to up-country states industries here are greatly handicapped

As regards finished products, preferential rates may be allowed in those items which are sent to the ports either for local consumption or for export to foreign countries. Such items are canned vegetables and fruit products, cotton piece-goods, jute products, oil, carpets, shellac products brass-ware silk goods, handloom goods, sports goods.

(b) It has generally been observed that the freight paid on industrial raw materials imported either from foreign countries or from distant places in the country is usually very high. This has a hampering effect on the development of Industries in this State. Certain industries deserve special consideration in the movement of raw materials. In the case of Button-making Industry, dom-nut imported from Sudan is processed into finished product and in this process a major portion of the Dom-nut has to be thrown away as waste, for which some concession should be allowed in the over-all freight charges. Similarly those industries which depend on foreign countries for the marketing of their products also need special consideration. For instance, the shellac industry of Mirzapur has to depend on the stick lac imported from other States and the finished products, that is seed lac and shellac, have to be exported to other countries like U.S.A., Germany etc. In the interest of proper development of this industry and to ensure the quantum of export goes up, the cost of production of seed lac and shellac has to be brought down. This is possible only if concessional freight rates are made applicable in the movement of raw materials and finished products.

Q: 3 (i). Revision is necessary in several cases. A few instances are given below :—

(a) Leather goods are finished products of tanned leather, but both leather and leather goods are charged at 12th class. There should be a lower classification for leather used as raw material and for all leather goods say 8th NOC class.

(b) Real leather and imitation or artificial leather are both charged at 12th class. The latter cannot be of the same value as real leather. Hence imitation or artificial leather should be placed in a lower classification.

(c) Boots and shoes are finished products and are chargeable at the 12th class. Boot and shoe accessories which are used for the manufacture of boots and shoes are also chargeable at the 12th class. There should be a lower classification for the latter. Similarly raw-materials used in the industry should be given a lower classification. This will enable the manufacturers to lower the cost of production.... ... ... Where finished products are exported, concessional rates may be charged from the place of production to the port towns. This will encourage industries located in the northern region, which are at a disadvantage in view of the fact that it has got no ports to export their products on equal terms with the other regions having port towns.

(ii) (a) The distance range as fixed for class rates needs to be changed. Instead of 300 miles it may be 150 miles for each of the first two legs. This will provide relief to the producers who transport their goods to small distances.

(ii) (b) The rates in each leg under class rates and wagon load scales differ considerably. For example, the minimum rate per maund per mile beyond 400 miles is .15 pie per maund per mile in a wagon load scale for class WL/A, but the minimum rate for over 400 miles under class rates is ·45 pie per maund per mile for the Ist class. This wide disparity in the rates proves harmful to the movement of the raw materials required by the cottage and small scale industries e.g., caustic soda, borax, etc., and in the movement of the finished products thereof, which are generally moved in small consignments.

Again the maximum rate is 1·0 pie per maund per mile beyond 600 miles under the 15th class rate against the rate of ·24 pie per mile per maund in the wagon load. This wide gap requires to be narrowed down. There may be some loss if the class rates are reduced so as to benefit the cottage and small scale industries but this is likely to be off-set by the consequent increased volume of consignments which are moved through the railways.

Again the rates fixed under each leg against different classes have not been fixed with uniform gaps. For instance the rates for first 300 miles for 13th class goods is 1·30 pie per maund per mile and for the same distance for the 14th class goods it is 1·55 pie. These rates have however, been raised by ·77 in the 15th class. At places there is inconsistent and disproportionate increase in these rates, which should be rationalised.

Q: 4. This requires no change.

Q: 5 (i) It would not be desirable to have a separate terminal charge where loading and unloading are done by owners as for example in mill sidings.

(ii) Please see reply to Q: No. 21.

(iii) This levy is justified. Levy of a separate charge would be desirable to divert short distance traffic to road. This will free railways from long distance traffic.

Q: 6. This should remain as it is.

Q: 7. The existing minimum distance for charge for goods traffic should remain as at present. In this connection please also see reply to Q: 21.

Q: 8. It would not be desirable to levy haulage charge for empty tank wagons to loading stations. It would be desirable to abolish the empty haulage charge in respect of liquid commodities like Industrial alcohol used as basic raw material for various industries.

Q: 9 & 10. No comments.

Q: 11. The rates for traffic moving in smalls and in wagon loads differ very widely. The rates for smalls are much higher than for the WL consignments. With a view to encourage the development of cottage and small scale industries which always send their products in smalls, the prevailing freight rates for smalls should be lowered down in accordance with the recommendations of State Government.

Q: 12. It may remain as it is.

Q: 13. (a) The previous minimum charge of Re. -/8/-per consignment may be restored so as to encourage the movement of the products of cottage and small scale industries usually moving in small lots.

(b) It may not be practical to vary minimum charge with the class of commodities.

Q: 14. The minimum weight for "Smalls" may be fixed at 20 seers by goods train as consignment below that weight can conveniently be despatched by coaching trains.

Q: 15. No comments. Placing of all commodities in one class will cause great inconvenience to the public *e. g.*, if a merchant wants to despach lime to a certain place, he will have to pay the same freight as the other who is sending sugar. This will adversely affect the industry producing commodities of less value. It will be a great handicap for low-priced commodities.

Q: 16 (i) The existing minimum weight conditions for a W/L rate may not be revised in the upward direction.

(ii) To ensure proper utilisation of transportation capacity, present class rates for wagon load may be adopted where wagon load scales are not quoted at present and extra charge levied for smalls.

(iii) We quite agree with the proposal. It will be beneficial to the business class as well as to the Railways.

Q: 17. The idea of 'train load' rates is attractive, but it cannot perhaps be availed of by many.

Q: 18. There is no objection to the levying of additional charges provided the railways could ensure quick movement.

Q: 19. It should be obligatory on the part of the railways to supply cranes for loading and unloading of those consignments which cannot be loaded or unloaded otherwise and in case the railway delay to supply the cranes, no demurrage should be charged as the party is not at fault and it is beyond his control generally.

Q: 20. No comments.

Q: 21 (a) Distances of less than 75 miles may be considered as short distance traffic.

(b) It would be desirable to adjust freight rates on short distance traffic in such a manner that such traffic may generally be carried by road transport or inland waterways.

(c) This may be introduced for booking of heavy consignments from one port town to another.

Q: 22. Though the corresponding freight rates of road transport are a bit higher, road transport is more convenient and quicker for transport of goods over short distances. Nothing can be said about water transport which does not operate in an organised form in this State.

Q: 23. The suggestion that a freight pool may be created so as to keep fairly uniform the freight rates irrespective of distance merits urgent consideration in larger interests of regional development. For example the 'Place Extra' levy has tended to discourage the growth of Engineering Industries in Uttar Pradesh.

Q: 24. There should be uniform pooled freight. This will encourage "Grow more jute compaign" in this State also.

Q: 25. Freight pool should be worked by the appropriate Government agency in consultation with the industrialists and the State Governments concerned.

Q: 26. It would certainly be desirable to modify rates schemes with a view to assist industrial development in the country.

Q: 27 & 28. No information is available.

Q: 29 (i). The revision of freight rate structure in the year 1948 had an unfavourable effect on the industrial development in the interior parts of the country. It has also encouraged the concentration of industries near port towns or sources of supply of industrial raw materials. This policy of the Government makes it imperative to modify the railway freight structure in such a way as to allow special transport facilities and concessional rates in respect of raw materials to industrially underdeveloped areas like this State.

(ii) As the trade generally follows the industry there has been a similar tendency for trade also to concentrate at industrial centres.

(iii) The effect on the cotton textile industry, the largest well organised industry of Uttar Pradesh, has been unfavourable. It requires restoration of concessional rates for the movement of raw material (cotton) to Kanpur and other centres of Uttar Pradesh. The same concessional rates may also be

fixed for other industrial raw-materials like coal, iron and steel, jute etc.

Q: 30. Station to station rate system encourages development of new industries at particular places and also fosters the export of finished products. This also encourages development of industries of the intermediate stations. Such rates may particularly be introduced between the main producing centres as well as the exporting centres and port towns in the country in order to encourage export trade.

Q: 31. The chief consideration underlying the Railway freight rate policy should be such as would encourage consistently the interest of the Railways with the economic development throughout the country uniformly.

The protection of export trade calls for special rates and freight structure needs to be revised in the light of the policies that may be framed by the Government of India from time to time.

Q: 32. The railways' freight structure may be utilised to assist the development of industries all over the country.

Q: 33. It would not be feasible to give effect to the proposed distinction in freight rates for new and existing industries.

Q: 34 The idea of inflated mileage is not sound, as in that case it will not be possible to develop backward areas. Other sources may be explored.

Q: 35. The freight policy should be such as to encourage the economic and industrial development of the country as best as possible. With the economic and industrial development of the country, the Railways will get more traffic which will result in enhanced revenues.

Q: 36. Construction of new lines may be financed out of the Railway Reserve Fund. Other services may be financed out of the existing revenues.

Q: 37. Village and cottage Industries used to be given special assistance in regard to freight rates by lowering their classification as in the booking of handloom products which are at present charged at half parcel rates. Similarly the products of village and cottage industries may be charged at concessional rates when sent to the port towns for export out side the country. This can be applicable in the case of goods like Artistic Brassware, Shellac, Prints, Carpets and Durries, Wood Carvings, Silk goods, Sport goods, Leather goods, Shoes, Chiken goods, Canned and preserved fruits and vegetables etc.

Q: 38. No comments.

Q: 39. In the case of metal scrap, specially iron, there are more chances of misdeclaration for purpose of taking advantage of lower rates, which are below the cost of transport. This may be so adjusted as the rate for scrap and the perfect material thereof be in the ratio of 2:3 instead of the existing ratio of 1: 2 approximately.

Q: 40. No comments.

Q: 41. The freight rate on commodities which are mainly exported should have some bearing on the fluctuations in the competitive conditions in the foreign markets. The underlying principle may be so constituted that the freight payable on the movement of finished goods should be minimum so as to help an increase in the demand for these goods in the export market In case the price in foreign market fall and there is a lesser demand in foreign markets for the indigenous goods, a general relief in the freight may automatically be allowed in national interest. However, where the demand or the prices shoot up in the foreign market, the Railways need not take advantage of it and may desist from increasing the freight rate in the interest of the country so that our goods may have the maximum sale in foreign market and maintain competitive cost thereby.

Q: 42. No comments.

Q: 43. Please see reply to Q: No. 29.

Q: 44 & 45. No comments.

Q: 46. Cotton is now being grown in places like Bulandshahr, Aligarh, Mathura, Agra, Etah, Meerut Muzzaffarnagar, Saharanpur, Bijnor, Moradabad etc. Substantial portion of this commodity is being consumed in the cotton mills of the State as well as outside. Similarly a few new sugar factories have been started or are to start shortly for consuming sugarcane grown in the neighbourhood. Jute is also grown in many districts and the Tarai Region of the State. This is now being increasingly consumed in the Jute Mills of the State as well as a large portion of this raw material is being exported to Calcutta. There is now an increased movement of molasses from the sugar factories to the distilleries in the State for production chiefly of power alcohol. Industrial alcohol is also likely to be consumed on an increasing measure by Industries located in the State or outside.

Q: 47. This concerns Agriculture Department.

Q: 48. In the private Sector, the schemes regarding manufacture of machinery parts, rayon and soda ash plant have already been taken up. While the schemes regarding hand tools and mechanical toys have been included in the Second Five Year Plan of the Department.

The following other schemes are proposed to be sponsored during the Second Five Year Plan in the private sector:—

1. Paper from (i) Grass and coniferous wood.
   (ii) Bagasse.
2. Manufacture of transformers and switchgears by GEC.
3. Synthetic Rubber.
4. Polythene.
5. Pharmaceuticals.
6. Acetate Rayon
7. Aluminium Reduction Plant.
8. Cement.
9. Sugar Industry (including Co-operative Sugar factories)

The new Central Jute Mills Ltd., Calcutta is taking necessary steps to set up a Soda Ash Plant near Banares while the J.K. Cotton and Spinning and Weaving Mills, Kanpur is going ahead with the establishment of a Rayon Factory at Kanpur. M/s Lakshmirattan Engineering Works, Bombay propose

to set up a factory at Kanpur for the manufacture of textile machinery parts.

Q: 49. In the Second Five Year Plan period some large scale factories like Soda Ash, Paper, Rayon, Aluminium, Staple Fibre, Cement and Sugar etc. are proposed to be set up in the State. These industries will require basic raw materials for their consumption. For instance, the Soda Ash Factory likely to be set up near Banaras will require such raw materials as coal, coke, and salt etc. Coal and coke will come from Raniganj or Jharia and Salt from Sambhar (Rajasthan). The daily requirements of wagons for moving coal and coke will be 13 and 5 BG respectively while those for salt will be 10 wagons on Broad Gauge and 20 wagons on Metre Gauge. The supply of finished products will be partly towards Kanpur and partly towards Asansol. The total requirements of wagons for transporting Soda Ash would be approximately 12 and 6 for Soda Ash and fertilisers. About 1320 wagons per year would be needed for the movement of paper to different parts of the country. The Star Paper Mills, Saharanpur will require 3000 wagons annually for the transport of pine only. For the transport of chemicals they will require 40 wagons per month on MG. from Jodhpur. The Rayon Factory which is proposed to be started at Kanpur will require 100-150 wagons approximately per month in the initial stages but when the factory comes into full production its wagon requirements are likely to increase to say 250-300 per month. The Aluminium Factory will require 300 wagons B.G. per month for moving raw materials. It will also require 40 wagons per month for bringing in petroleum coke from Digboi; for movement of outward traffic it will require about 70 wagons per month.

Q: 50. As above.

Q: 51. The information is not available.

Q: 52. The only factory in the public sector which will have considerable quantum of new traffic is the Government Cement Factory whose production capacity will go up to 1,400 tons per day from its present capacity of 700 tons a day. The increased production will require double the number of wagons as compared to the wagons required at present. It is estimated that an additional number of 35 wagons B G. will be required for the movement of cement. As regards the inward traffic there will be no appreciable increase in it as lime stone is locally available.

Besides, three Industrial Estates have also been set up at Allahabad, Kanpur and Agra. Small work shops in Engineering trades will be started in these estates, but the wagon requirements of these workshops cannot be estimated unless they are set up actually.

Q: 53. As above; detailed information is not available.

Q: 54. The principle should be so formulated that the Railway Freight Structure may lead to the all round economic development of the country as a whole and the underdeveloped areas in particular may get incentive and encouragement in improving their economic condition, as far as possible, aided by concessional and preferential deal by the Railway.

Q: 55. No comments.

PART I-B

ANNEXURE V

Q: 1. The principal raw material and fuel (coal) required to produce a stated weight of finished goods for some of the industries are given below :—

(a) ***Cotton Textiles:*** The requirements of principal raw materials and fuel (coal)depend upon the quality of cloth to be produced. Now a days coal is not generally used in the manufacturing process. The machines are operated by Electric energy. As regards cotton textiles, for every 100 lbs., of raw cotton 55 lbs. of finished goods are produced.

(b) ***Edible Oils*** : (Ground-nut oil, mustard oil) The requirements of coal in the oil crushing industry also depend on the quality of seed to be crushed. Generally the coal required will be 1/7th of the seed to be crushed. One maund of oil will generally require 2½ maunds of oil seeds.

(c) ***Paper and Straw Board***: The requirements of raw material and fuel (coal) will vary according to the quality of paper to be produced like writing paper, printing paper, wrapping paper etc. However, a general ratio is given as below :

In order to produce one ton of paper it will require the following raw materials :—

2·5 tons of grass approximately.

3·5 tons of coal approximately.

Straw Board

One ton of straw board to be produced will require—

2.0 tons of raw material like grass etc. approximately.

2.5 tons of coal approximately.

(d) ***Glassware***: As regards glassware it also depends on the ware to be produced. However, a general ratio for the hollow-ware glass is given as under:—

1 maund of hollow-ware glass will require the following materials·

1·5 maunds of steam coal.
0·75 maund of sand
0·4 maund of soda ash
0·1 maund of lime
0·05 maund of other chemicals·

(e) ***Bangles***: production of 1 maund of bangles will require the following raw materials:

3 maunds of coal
0·75 maund of sand
0·4 maund of soda
0·1 maund of lime
0·05 maund of other chemicals.

(f) ***Acids and other chemicals***: There are various types of acids and chemicals. It is not possible to give the ratio for all types of acids and chemicals, however, information with regard to some of the chemicals and acids are given below:—

(1) One part of Sodium sulphide will require 2 parts of sodium sulphate and 4 parts of coal.

(2) One part Sodium silicate will require one part of Soda Ash, 3 parts of coal and 1½ parts of Sand.

(3) The production of one part of sulphuric acid known as H2S04 (Sulphuric acid) will requrire 1/3 part of Sulphur. The requirement of coal is not known.

(4) In order to produce 1 part of Nitric Acid HNO3 one part of Nitrate and one part of Sodium will be required.

(5) The manufacture of 1 part of Hydrochloric Acid (HCL) will require 1 part of salt (Sodium Chloride).

(g) *Salt*: Coal is not required for producing salt.

(h) *Tea*: The leaves are plucked and dried in the sun, and electric drying chambers are used. Coal is not required in the industry.

(i) *Sugar:* Coal is not required in the manufacture of Sugar. The production of sugar depends on the quality of the sugarcane. The average percentage of recovery of sugar in U. P. is only 9·95%. Coal plays very insignificant part as only 1% of coal is used in this industry.

Q: 2. The figures which are available in respect of different industries are in Appendix 'A'.

Q: 3. Please see answer to Q: 29.

Q: 4 to 8. No information is available.

Q: 9 (a). It is not possible to quote the proportion of the movements of liquids in bulk in tank wagons as against movement by ordinary covered wagons in containers. Transport of liquids by tank wagons is more economical than that by ordinary covered wagons in containers. The expenses of packing and other charges like extra freight for containers from the producing points and back in empty condition come to about 20% over and above the actual freight. This cost unnecessarily inflates the selling price of the commodity.

(b) The leakage in the box wagons (*i.e.*, ordinary covered wagons) is about 5%.

(c) No.

(d) Yes; it is not possible to give information in this regard.

Q: 10. (a & b). Information not available.

APPENDIX 'A'

Production of Iron and Steel in Uttar Pradesh.

Serial No.	Period.	Production in tons.	
		Ingots & metal for castings.	Finished Steel.
1.	1938—39	N.A.	N.A.
2.	1947—48	N.A.	N.A.
3.	1950	7,918	21,595
4.	1951	4,382	22,590
5.	1952	7,778	21,321
6.	1953	5,846	21,397
7.	1954	8,446	28,333

COTTON TEXTILES.

Cloth produced in Thousand Yards.

Serial No.	Year.	Coarse.	Medium.	Fine & Superfine.	Total.
1.	1938—39	N.A.	N.A.	N.A.	N.A.
2.	1947	N.A.	N.A.	N.A.	N.A.
3.	1948	649,19	24,30,98	13,31	20,93,48
4.	1949	3,00,43	24,08,88	3,64,20	30,73,51
5.	1950	2,15,61	22,98,18	3,07,76	28,21,55
6.	1951	2,38,02	26,06,02	2,51,08	30,95,12
7.	1952	N.A.	N.A.	N.A.	N.A.
8.	1953	do.	do.	do.	do. *2,95,99
9.	1954	—	—	—	— 2,87,26

* Note: Monthly average

Production of Jute Manufactures in U.P.

Serial No.	Period.	Production of					
		Hessian		Sacking		Others	Total
		In tons.	In thousand Yards.	In tons.	In thousand Yards.	In tons.	Production in tons.
1.	1938—39	Figures are not available.					
2.	1947—48						
3.	1952	2,511	88,25	19,016	5,313	124	21,16,51
4.	1953	2,930	1,06,62	16,765	4,82,04	126	19,819
5.	1954	3,472	1,20,10	16,032	4,51,69	167	18,671

Production of Edible Oils in tons.

Serial No.	Year.	Ground Nut Oil.	Mustard Oil.	Gingelly Oil.	Cocoanut Oil.
1.	1938—39	N.A.	N.A.	N.A.	N.A.
2.	1947	3,931	do.	do.	57
3.	1948	10,456	do.	do.	124
4.	1949	3,955	do.	do.	1
5.	1950	2,330	do.	do.	(nil)

Hydrogenated Oils.

Serial No.	Year.	Production in tons.
1.	1938—39	N.A.
2.	1947	22.405
3.	1948	29,913
4.	1949	33,455
5.	1950	25,626

Production of Paper and Cardboard in Uttar Pradesh.

Serial No.	Period.	Production (in cwts.)	
		Paper.	Straw Board and Paper Board.
1.	1938—39	N.A.	N.A.
3.	1947—48	N.A.	N.A.
3.	1952	1,18,989	1,79,481
4.	1953	1,37,370	1,64,762 (Inclusive
5.	1954	1,38,777	1,84,150 of wrapper).

Plywood Commercial (In Square Feet)

Serial No.	Year.	Production in Square Feet.
1.	1938—39	N.A.
2.	1947	2,07,781
3.	1948	9,59,439
4.	1949	N.A.
5.	1950	26,323

Glassware.

Serial No.	Year	Bangles in dozen pairs	Bulbs for electric lamp gross	Shell for electric lamps gross	Other lamps gross.
1.	1938—39	N.A.	N.A.	N.A.	N.A.
2.	1947	N.A.	193	542	59,883
3.	1948	17,10,870	N.A.	194	56,793
4.	1949	53,342	N.A.	176	60,755
5.	1950	2,631,696	N.A.	99	92,526

Soaps.

Serial No.	Year.	Production in tons			
		Toilet soap.	Shaving soap.	Industrial soap.	Household and Industry soap.
1.	1938—39	N.A.	N.A.	N.A.	N.A.
2.	1947	1,393	do.	do.	3,271
3.	1948	1,405	7	383	3,635
4.	1949	581	3	104	2,073
5.	1950	562	4	165	2,649

Tobacco.

Serial No.	Year.		Yield in Lakh Maunds.
1.	1938—39	...	N.A.
2.	1947—48	...	N.A.
3.	1952—53	...	4.9
4.	1953—54	...	3.3
5.	1954—55	...	3.3

Production of Sugar in U.P.

Serial No.	Session.		Production in thousand tons.
1.	1938—39	...	N.A.
2.	1947—48	...	6,34
3.	1952—53	...	7.00
4.	1953—54	...	5.60
5.	1954—55	...	9,04

Government of Uttar Pradesh,

(Public Works Department)

Lucknow.

GENERAL

I am to communicate the undermentioned views and suggestions received by the State Government from the Heads of Departments on cognate matters pertaining to the Questionnaire:—

(a) Some concession in freight rates on the movement of material required in connexion with Planned development of the State Government appears desirable. The concession would be justifiable on commercial principles on which the Railways are worked, having regard to the heavy business which the Railways will secure on this account; and will be beneficial both to the Railways and the State Government as the former will be able to recoup the loss, if any, on railway earnings by the increased business and the latter would save some money which could be utilised in furtherance of its planned development.

(b) The heavy profits made annually by the Railways indicate that their services are not available to the public at true and economic working cost. This is an indirect taxation which will not be justified, at least where the States are concerned. The incidence of cost is moreover unequal, depending on the distance of a State from the major ports through which the foreign imports are received.

The concessional tariff of freight rates should not, therefore, be dependent on the length for which the goods have to be transported, *i.e.*, the freight traffic should not be defined in terms of ton-miles or wagon-miles but, as in the case of passenger traffic, in terms of passenger miles.

(c) The railway rules relating to claims should be suitably amended in order to minimise the difficulty in settling State Government claims against the railways and *vice versa*.

(i) Claims arising from loss in transit, over or under charges, demurrage, wharfage etc., are often refuted by the Railways on the plea of their rules relating to time-bar; or on the plea of the railway records having been weeded out under the rules, even during the pendency of cases. This practice should be avoided and records should not be weeded out till claims are finally settled.

(ii) Six months time limit for preference of claims should not apply on Government consignments or the period be enhanced to one year at least.

(iii) A scheme of self-insurance on the model of the marine insurance scheme operated by the Store Purchase Department of the Office of the High Commissioner in London may be considered. The Railways can build up such a fund by setting aside a small percent of the freight charges levied by them from State authorities and local bodies, and all losses, to which the Railways are not liable in law, can be reimbursed to the consignors or consignees out of this fund.

(d) Freight charges on firewood should be reduced to mitigate hardship caused to poor consumers. The charges should be levied either on actual maundage or no open wagons should be allowed for firewood loading. In "via booking" *i.e.*, when timber is booked from B. G. to M. G. lines, either M. G. rates should be charged or bigger and more M. G. wagons should be supplied.

(e) The Sugar Industry of this State needs special reduced freight rates for the transport of sugar, as well as sugarcane, so that the selling rate of sugar may reasonably compete with the selling sugar rates of other States. Previously freight advantages were allowed for transport of sugarcane and sugar but they have now been withdrawn and therefore sugar factories are reluctant to purchase sugarcane from distant railway centres.

(f) The Railway authorities should be authorised to effect deilvery of consignments on indemnity bonds signed by a gazetted officer, irrespective of the value of the consignments, in order to avert Government departments having to pay demurrage and wharfage on railway receipts being delayed or misplaced.

(g) Demurrage and wharfage should also be not charged on consignments which are not taken delivery of for want of a Railway Receipt and Invoice, if the Government officer concerned has offered to take delivery on an Indemnity Bond.

(h) Cranes required for loading and unloading are indented by railway authorities at the same time as for wagons but the arrival of cranes is almost invariably delayed while the wagons are received earlier and placed in the sidings. Demurrage is charged for the period the wagons are idle. The Railway should not charge demurrage till the crane is supplied.

(i) Government departments should be exempted from making a deposit of Rs. 85/- per wagon indented, as this presents accounting difficulties.

(j) As great stress has been laid in the Second Five Year Plan on distribution of improved seeds and implements, and this is seasonal work to be completed within a short period, their movement should be given priority by fast goods trains at concessional rates.

(k) The freight rate for jute should be reduced to remove economic disadvantage to growers in Uttar Pradesh. The same applies to fruit and vegetable growers.

PART I-A

Q: 17. *C. E., P. W. D.* In connexion with the movement of store, sand and grit it has

been noted that the tendency of the contractor at present is to offer traffic in loose wagons in preference to rakes as this is more convenient. If rates for full rakes are kept lower than the existing rates for loose wagons, the contractor may like to go for full train loads which is convenient to the railway.

Q: 19. *C E., P W D.* Sometimes there are cases where due to delay in supply of cranes huge sums on account of demurrage are incurred. It should be obligatory on the part of the railway to supply cranes for loading and unloading those consignments which cannot be done so otherwise. If the railway delay to supply the cranes no demurrage should be charged as the party is not at fault and delay is beyond his control generally.

Q: 23. *C. E., P. W. D.* Iron and steel, cement and coal are the commodities that have to bear disproportionately high freight charges owing to their transport over long distances. Sometimes the price of the coal becomes very high due to heavy railway freight in certain places. It is therefore suggested that a freight pool may be created on zonal basis so as to keep equal prices irrespective of distances with regard to these materials. Traffic moving over a minimum distance may, however, be excluded from it,

Q: 25. *C E., P. W. D.,* The freight pool may be worked by some appropriate Government agency.

Q: 34. The State Government are opposed to the proposal, as it would be contrary to the commercial principles on which the railways are worked. This would amount to an indirect taxation of the railway users for which no benefit would accrue to them directly when the lines constructed become remunerative.

Q: 52 & 53. *C. E., P. W. D.* The requirements of this department for movement of of materials, particularly stone, sand and grit are not fully met by the railways. Much difficulty is generally felt in the sugarcane season and food grain season, particularly on the North Eastern, the Shahdara Saharanpur Light, the Eastern and the Central Railways. The requirement of wagons on all the above Railways and also on the Northern and the Eastern Railways is likely to be increased in the Second Five Year Plan by 50% of the existing volume of traffic. Similarly in cases of movement of cement, iron and steel, the requirement of wagons for the Second Five Year Plan is likely to be 1½ times of the present requirements.

Q: 55. *C.E., P. W. D* It has been observed that sometimes considerable wharfage accrues due to certain circumstances which are beyond control Railways do not easily waive the wharfage even if the circumstances are such that they could not be avoided. It is therefore suggested that the Freight Structure Enquiry Committee may consider the advisability of adopting lenient policy of demurrage and wharfage towards Government departments.

PART II,

Q: 1. (a) *Printing & Stationery* : Nearly 80% traders book their consignments at owner's risk rates because of the rigid packing conditions.

C. E., P. W. D. Suppliers to this Dept. book material mostly at owner's risk so that shortage in transit does not devolve upon them.

(b) ***Printing and Stationery:*** Scientific goods, Books, Stationery, etc.

Q: 4. (a) ***Printing & Stationery***: It is difficult to give any data, yet the claims preferred by us prove that there has been an increase in the number of claims.

C. E., P. W. D. There has been a marked increase in claims due to (a) loss in transit, (b) non delivery & (c) consignments of which delivery has been taken by the railways. The commodities are Iron, Steel Coal, Cement, Tar, Boulders etc.

(b) ***Printing & Stationery.*** There has been an increase of at least 200 per cent traffic in regard to consignments of Government forms, paper and stationery.

Q: 5. (a) ***Printing & Stationery.*** No comment.

Medical (A) Dept. Certain minor claims due to leakage etc.,

Rs. 61/-
Rs. 224/-

(b) ***Medical (A) Department.*** A claim of Rs. 1272/- recently accepted by railway authorities on account of leakage of Cod Liver Oil (3 mds. 36 seers).

Q: 6. ***Printing & Stationery.*** The Government Press generally deals with Stationery, printed forms and books etc.

Q: 7(a). ***Printing & Stationery.*** The packing conditions prescribed by the Railways in their Goods tariff are so very difficult that in many cases they become a pretext for refusal of the consignments being booked R.R. (railway risk) rates. The railways apparently accept full risk of consignments.

Q: 8. Normally there should be one class of rates, that is, railway risk rate and railways must accept full responsibility for the safe delivery of the packages in reasonable time. Absence of uniformity is likely to be misused at the cost of traders out of their ignorance.

Q: 9 As above.

Q: 10. ***Printing & Stationery.*** There should be only one railway risk rate for all commodities.

Medical (A) Department. X-ray apparatuses and laboratory equipments and costly surgical appliances should be booked at railway risk rates.

There need be no exception to wagon loads.

Q: 12. ***Printing & Stationery.*** In the normal course, traders always desire to book at railway risk and it is only the rigid packing conditions prescribed by the Administration that stand in the way. No reduction in rates must be allowed.

Q: 13. ***Printing & Stationery.*** No, only railway risk rates should stand.

Q: 15. The printed forms, answer books are packed gunny bags but as per rules

they are required to be booked in boxes In face of the heavy number of packages booked every day it is difficult to use boxes, hence they are booked at owner's risk and not at railway risk.

Medical (A) Department. It is sound that all packages should be strapped and properly sealed by consignee.

Q : 16. *Printing Stationery.* This may be re-examined.

Q: 17. (a) *Printing & stationery.* There are certain formalities to be observed prior to registration and acceptance of goods, hence it would be considered as an amenity provided to business community if warehouses are provided by railways to facilitate booking and taking delivery of consignments and have wharfage.

(b) It should be the railway alone.

Q: 17. (a) *Co-operative Department.* It appears necessary that some provision of warehouse facilities for storage of goods prior to their despatch and also after delivery is made. This provision would meet a really felt need by the customers of the railways. We are not aware of any such facilities on a planned basis so far.

(b) A scheme of this kind should be taken up as early as possible, preferably on stations where the volume of goods traffic is large. In the initial stages, this work may be taken up by the railways themselves because that will inspire greater confidence in the booking public. Later on it could be transferred to either Railwaymen's Co-operative Stores operating in the area or special Co-operative societies of the booking public with almost regular transactions may be organised for the purpose and the Railways may extend to them the facilities of providing ware-houses etc., near the goods shed.

Q: 18. *Printing & Stationery.*—This may continue.

Q: 19. *Animal Husbandry Department.* The Railways' responsibility should not continue to remain that of a mere bailee. The railway liability should be that of a common carrier which, in fact, would make the railways 'insurers' of goods carried by them. It has been experienced that generally the transport of animals from one place to another is considerably delayed which results in the deterioration of their condition and milk yield. In shunting operations of the cattle wagons the possibility of injury to the animals is also not ruled out. The railways should assume liability at the full value of the animals plus the expenditure incurred on their railway transport etc., in case of incurable injury, loss or destruction to the animals, and partial in other cases as claimed by the owners on the basis of a certificate given by a qualified veterinarian.

Q: 20. *Printing & Stationery.* The security Railway Force may make any comments, apparently the sheds are not closed to safeguard possible thefts.

(a) *Medical (A) Dept.* The goods should be insured with a Company or better with the Railways for all thefts, damages etc.

Q: 21. *Printing & Stationery.* There are certain types which could be decided on the spot and hence the divisional commercial Superintendents of divisions be authorised to deal with the same and refunds paid. This will save considerable time and correspondence.

Animal Husbandry Department. The time taken and the procedure adopted by the Railways in payment of the claims is unreasonably long. Firstly, it is suggested that the Regional authorities may be appointed for entertaining claims for various regions and they should be clearly notified so that the claims are registered with the appropriate authority within the shortest possible time.

Further time limit, say of 3 months should also be fixed for the disposal of such claims.

PART III

Q: 11. *Medical (A) Department.* It should be State-managed body.

Q: 12. *Medical (A) Department.* Present administration should continue.

Uttar Pradesh Fruit Development Board,

Lucknow.

GENERAL

I am herewith enclosing a copy of my letter No. 2724/Mark, dated October 10, 1955, which was sent to the Secretary, Railway Board, New Delhi, on behalf of the U. P. Fruit Development Board, which is a body of the fruit growers of the State. I shall be grateful if the request of the fruit and vegetable growers of the State that fresh fruits and vegetables may be booked by railways at Quarter-Parcel rates instead of at Half-Parcel rates, as charged at present, is considered favourably.

Copy of letter No. 2724/Mark, dated October 10, 1955 from the Deputy Director of Horticulture, U.P. and Honorary Secretary, U P. Fruit Development Board, Lucknow to the Secretary, Railway Board, New Delhi.

I am directed by the Executive Committee of the U. P. Fruit Development Board, the sole representative body of the Fruit Growers of Uttar Predesh, to request you as under:—

U P. is a very big fruit and vegetable producing State in India. The main fruits and vegetables grown in Uttar Pradesh, such as mangoes, guavas, aonla, litchi, apple, pears, apricots, peas, tomatoes, cauliflowers, cabbage, etc., are being exported out of province on commercial basis. But the growers cannot stand in competition with other State producers due to the heavy railway freights which are paid by them, with the result that the returns received by them for the consignments are hardly profitable. In order to encourage them to produce more fruits and vegetables to meet the increasing demands of the consumers within the State and out of the State, it is requested that fresh fruits and vegetables may kindly be booked within Uttar Pradesh and out of Uttar Pradesh at 1/4 parcel rates than at half parcel rates as charged at present.

We hope that the above request will receive your favourable consideration.

Administrator Municipal Board,
Allahabad.

GENERAL.

I have to state that the freight on wagon loads of steam coal needs to be considerably reduced, as it is a commodity largely used in commercial and business undertakings as well as in such essential undertakings as the Electric Supply and Water Works. The present high rates of freight on coal affects the finances of the Municipal Boards considerably both in the direct purchase of coal as well as in the purchase of Electric current from the Electric Supply Company. The Boards in the Uttar Pradesh have to pay higher charges for the latter in respect of the Electric duty as well as the coal adjustment bills.

WEST BENGAL

Government of West Bengal
(*Agriculture, Animal Husbandry and Forests Department*),
Calcutta.

GENERAL

At present the freight charged on sawn timber carried over the link route is rather on the high side. By actual calculation, it comes to an average of Rs. 1/2/3 per cft. on WL freight basis, from any North Bengal station to Calcutta area. In this connection, we would like to mention that till 1948 there was special rate of freight (WL) at annas 4/6 per maund for timber booked from Siliguri station to Calcutta only by what is now Eastern Railway. Further, prior to 1948, freight on B.Os used to be charged on the basis of a minimum charge of 320 mds, or the actual weight whichever was higher. After 1948, it is being charged on the basis of the minimum of 600 mds. or the actual weight whichevar is higher. Hence, the freight now is almost two to three times that of pre-1948.

The following examples will illustrate:—

(a)	Invoice No. 4 dated 18—7—46; Ramshai to Ultadanga Rs. 128 2 0	...	Freight charged for 320 Maunds.
(b)	Invoice No. 4 dated 17—6—48; Ramshai to Ultadanga Rs. 275 7 0	...	Freight charged for 600 Maunds.
(c)	Invoice No. 6 dated 31—7—48; Ramshai to Ultadanga Rs. 367 15 0	...	Freight charged for 600 Maunds.

Note:—It appears that in (b) the Station Master calculated the freight on the previous tariff and not on the revised one as in (c).

Timber cannot be loaded upto the carrying capacity of the wagons. It is well known that more than 8 tons (400 cft.) cannot be loaded in B.Os on the Metre Gauge. The weight varies from 250 to 350 mds. depending on species, whereas a charge is levied for a minimum of 600 mds.

The same case applies to C.Gs. and B.C.Gs. C.Gs. are now charged on the basis of a minimum load of 280 mds. in place of 160 mds. prior to 1948

There were special rates from North Bengal timber centres prior to 1948 as already mentioned. We feel that the wagon load freight should not be more than annas 9/- per c.ft. from any North Bengal station to Calcutta area *via* the all-India or E. B. Route.

PART I-A

Q: 1 (a) This has interfered with the supply of timber from North Bengal Stations to Calcutta and other centres.

(b) As this has abolished the station-to-station rate, it has not been helpful to the Timber trade.

Q: 2 (a) No.

Q: 5 (i) Ref:-Annexure II A (c) of Questionnaire.

It is not understood why the terminal charge should be levied when the loading and unloading are done by the party and the wagons booked within the same station area.

Q: 7. It affects localised industries adversely, as haulage in most of these cases is less than 20 miles.

Q: 12. Yes, certain commodities cannot be loaded in a wagon to its maximum capacity, *e. g.*, timber.

Q: 16 (i) Yes, in view of my answer against item No. 12 of the questionnaire.

(iii) Yes.

Q: 18. Yes, there may be an additional charge.

Q: 21 (a) I suggest, the Railway should carry such traffic as at present.

Q: 23. Yes. Timber produced in the Northern districts of West Bengal should enjoy a special freight rate in view of the circumstances consequent on partition

Q: 26 Yes.

Q: 29. Yes, it has very adversely affected the timber trade of Northern districts of West Bengal, *e. g.*, Siliguri to Calcutta, Lataguri to Calcutta, Rajabhatkhawa to Calcutta.

Q: 30. Remedial measures have been suggested separately.

Q: 31. Yes, only restriction that can be imposed is allocation of quota to different industries and trade.

Q: 32. Yes *e. g.*, paper, plywood and matchwood & packing case industry.

Q: 33. Yes, newly planned industries deserve special consideration in freight rates.

Q: 42. Yes, timber from the Northern districts of West Bengal to the South of the Ganges.

Q: 44. Either.

(a) Lataguri to Calcutta - Sawn timber F. O. R. Destination Rs. 8/-per cft. freight Rs. 1/6/- per cft

(b) F. O. R. Despaching station Rs. 6/-, 400 miles haulage, more than 15% in case of sal timbers, but it is more than 30% in case of packing case timbers.

(d) Before 1948, proportion of freight was never more than 10%.

SECTION VIII

Supplementary replies from Chambers of Commerce,

other organisations etc.,

to the Questionnaires issued by the

Railway Freight Structure Enquiry Committee.


सत्यमेव जयते

1. CHAMBERS OF COMMERCE

ASSAM.

National Chamber of Commerce, Tinsukia.

PART II

GENERAL

The Chamber is of opinion that the liability of the Railway should be governed by the Carriers Act and they may be permitted to charge by the shortest route and carry the traffic by whatever route they choose.

The extra amount of freight arising out of the rationalisation scheme in case of Assam exceed more than a crore of rupees a year and therefore Assam requires special consideration in this matter.

BIHAR

The Bihar Chamber of Commerce, Patna.

PART III.

Note on the Constitution of the Railway Rates Tribunal.

The Committee of the Bihar Chamber of Commerce is of the view that the Railway Rates Tribunal should consist of a President and two members. As at present the President of the Tribunal may have such qualification as is necessary for appointment as a Judge of a High Court. As regards two members of the Tribunal, one member may be appointed from persons having knowledge and experience of trade and industry and the other member may be appointed from among persons having experience of the Railway Rates Administration. The above suggestion will necessitate amendment of Section 34 (3) of the Indian Railways Act.

As regards powers and function of the Assessors, the Committee of the Bihar Chamber of Commerce thinks that their power should be substantially increased. The Committee thinks that if the assessors are to perform useful function they should be treated on par with the members of the Tribunal for the hearing of the particular case for which their services have been requisitioned.

The Procedure of the tribunal should be simple and far from legalistic.

BOMBAY

Bombay Chamber of Commerce & Industry,

Bombay.

PARTS I-A & II

GENERAL

1. ***Railway's liability forloss of or damage to, goods in transit***: This Chamber has considered a number of judgments which declare that the liability of any railway to pay compensation for loss of or damage to goods while in transit extends only to the party who originally entered into a contract of carriage with the railway, and that therefore a third party to whom the railway receipt which is normally regarded as a document of title to the goods consigned—has been endorsed, can have no recourse against the railway for loss or damage.

This decision is contrary to the view which has hitherto been generally taken of the railways' liability and it is possible that it may have important repercussions on trade and business.

The opinion of the Chamber's solicitors is that although there is no statutory provision and the case law on the point is conflicting, the judgment of Mr. Justice Bhagwati in the case of Shamji Bhanji *vs.* North Western Railway and others, which has been approved by the Chief Justice of the Bombay High Court, appears to express the correct view of the law. Briefly, Mr. Justice Bhagwati's view is that the endorsee named in a railway receipt can maintian an action against the railways only if the property in the goods mentioned in the receipt passed to him either before the issue of the receipt or at the time of issue. Endorsement of the railway receipt cannot by itself confer the right to sue; nor can such right accrue to an endorsee who becomes the owner of the goods on a date subsequent to the date of issue of the receipt.

The solicitors hold the view that the position cannot be finally resolved except by a decision of the Supreme Court or by appropriate legislation or unless the railway administration agree not to avail themselves of the defence of incompetency of an endorsee to sue.

Railway receipts have been mentioned in the several judgments referred to by the Solicitors as instruments of title to goods, mercantile title to goods and/or documents of title to goods within meaning of the relative Sections of the Indian Contract Act (before the Indian Sale of Goods Act was passed). The term documents of title to goods defined in the Indian Sale of Goods Act, includes a railway receipt. Documents of title to goods are endorsed in favour of someone and such endorsement creates certain rights in favour of the endorsee; for example the endorsee is entitled to apply for delivery of the goods covered thereby and on such delivery to give a good and valid discharge; but no Statute confers upon the endorsee of a railway receipt a right of action in relation to goods covered thereby as do bills of lading under the English and Indian Bills of Lading Act. For instance, Section I of the Indian Bills of Lading Act reads as follows:

> "Every consignee of goods named in a bill of lading and every endorsee of a bill of lading to whom the property in the goods therein mentioned shall pass, upon or by reason of such consignment or endorsement shall have transferred to and vested in him all rights of suit, and be subject to the the same liabilities in respect of such goods as if the contract contained in the bill of lading had been made with himself."

This Chamber is of the opinion that the best solution is for the Government of India to frame an Act which would confer upon the endorsee of a railway receipt of a a right of action in relation to goods covered thereby as do bills of lading under the Indian Bills of Lading Act.

2. ***Freight Rates on Manganese Ore***: When the Chamber's answers to the questionnaire were submitted there was a slump in the export trade in Manganese Ore and we suggested that freight rate on Manganese Ore should be substantially reduced in the interests of maintaining India's competitive ability in international markets and safeguarding the trade's future prospects.

The Chairman of the Committee pointed out at the meeting that the position had considerably improved since then and opined that the F.A.S. prices of Manganese Ore had been restored to the pre-October, 1953, levels. He enquired about the factors which influence variations in the prices of ore and asked to be given some idea of the production costs to mine owners. He also wished to know whether the trade would agree to a flexible system of railway freight rates for the ore which could be linked to the prices obtained for the ore.

Although the present prices of Manganese Ore show considerable improvement over those of last year, the position has been offset to some extent by the re-imposition of export duty on the 31st August of this year. There are several factors which influence variations in the price of ore, the most important of which are demand and competition. It is rather difficult to indicate the production costs to mine-owners as the costs vary to a great extent between mines and depend upon the location of the mine and also the type of mine, *i.e.*, whether it is open-cast or underground. The Chamber is not, however, in favour of a flexible system of railway freight rates which could be linked to the prices obtained for the ore.

3. *Freight Pool for some commodities:* This was Q: No 23 of Questionnaire. Part I-A.

The Chamber has reconsidered this question, but does not wish to depart from its previous view that the creation of a freight pool for particular classes of commodities would not be helpful. It is felt that the establishment of a freight pool will be a form of discrimination and in any case will place a greater strain on rail transport. Furthermore, the application of a freight equalisation system has to stand examination as being administratively feasible or economically justifiable. It is for consideration also whether such a system would make any difference to the ultimate consumer, especially buyers of small consignments; and in the extreme dispersal of demand, not only by rail but also by other means of transport, the small incidence of freight will be lost in the re-handling factors involved over long distances to the many hundred depots located all over the country.

4. *Assistance to new Industries*: The Chamber had expressed agreement with the suggestion that station-to-station rates should be revived so as to foster the development of industries, but did not consider it desirable that assistance should be rendered to new industries by the fixation of freight rates as it was felt that this would create distinctions between the requirements of industries already established and those newly planned.

Your Committee argued at the meeting that the interests of the economy of the country would be served if new industries were given a fair chance to establish themselves and develop and it could not therefore be said that it would be unfair if special considerations were given to industries by a reduction in freight rates on the movement of their raw materials. The Chamber's representatives contended that such a move would amount to discrimination between industrial units and expressed opposition to any suggestion that a new industrial unit should be given preferential treatment in the matter of freight rate fixation. Your Committee asked us to consider, however, whether a new industry set up in one part of the country could be given such concessions as might be necessary to foster its development and place it, initially at any rate, in a more advantageous position than a similar industry situated in another part of the country. Here again our representatives said they were opposed to the proposed distinction between industrial units and expressed the opinion that while some assistance should be rendered to the newly planned industries, it should be given through means other than the fixation of freight rates. Your Committee then asked the Chamber to suggest the form which such assistance should take and the safeguards which the business community should be given to enable them to play their part in the economic development of the country.

This matter has been carefully considered by the Chamber and the conclusion arrived at is that new industries are infact in a more advantageous position than old established industries for the following reasons. New Industrial units set up in certain parts of the country have obtained their land at a comparatively much cheaper rate than that which several established industries in the more industrialised areas of the country had to pay for theirs. The modern and up-to-date equipment installed in new units give these establishments a clear advantage over old units where rationalisation of equipment is opposed by labour unions. The greater cost of the modern equipment is offset by the quality and rate of production which they give, and so if more expensive new equipment is yet more efficient. Again the temporary exemption granted to newly formed industries from the operation of certain labour laws and regulations place them at a further advantage, initially at any rate, as compared to old establishments which are shouldering progressively increasing burden imposed by a spate of labour legislation. Further more if, as is anticipated, coal prices are stabilised and equalised then the new units will have the advantage of power at the same rates available to established units. While therefore the Chamber is of the opinion that new industries are not in need of assistance, we feel that certain facilities could be granted to them by the Railways in the form of wagon priority, but only for a limited period, and railway sidings. and in no event should assistance be rendered to them by the fixation of freight rates. However, this facility may be extended to industries and ventures of a pioneering character for there is no risk in such cases of the special treatment adversely affecting similar units set up earlier in the same sector.

As regards the safeguards which the business community should be given by the Railways to enable them to assist in the economic development of the country, the Chamber feels that if the Railways ensured prompt provision of transport facilities, speedier movement of essential raw materials, safe transit of finished products and, above all, economic services to railway users, the pace and tempo of economic and industrial development of the country would be considerably accelerated.

5. *Railway's liability for goods in transit:* Your Committee asked the Chamber to reconsider the question of Owner's Risk and Railway Risk rates and in the event of the Railways being prepared to accept liability or take over the insurance of all goods, provided the business community were prepared to pay the charges, they asked for the Chamber's views on the rates which should be levied by the Railways for this service.

As regards the relation between Owner's Risk rates and Railway Risk rates, the Chamber is of the view that Railway Risk rates should be Owner's Risk rates plus the actual insurance premia, *i. e.*, the basis should be an actuarial variation of the risk involved.

The present position regarding a Railway's responsibility and liability for loss of or damage to goods entrusted to its care is laid down in Section 72 of the Indian Railways Act as being those of a bailee under Sections 151, 152 and 161 of the Indian Contract Act, 1872. The Chamber feels that this position requires to be radically changed and that it should be legally provided that the Railways should assume all the responsibilities of Common Carriers in respect of goods entrusted to their care. The Chamber would emphasise that the consignor is only interested in ensuring that his goods reach

destination safely and in time and is prepared to incur the necessary initial expenses which would make it possible for him to do so. Apart from the aspect of safeguarding the position of a consignor in respect of loss of or damage to his goods, the question of timely delivery is also of utmost importance, and some provision should therefore be made in law whereby the Railways could be deemed liable for the delay in delivery of the goods beyond a reasea able period. Perhaps in the initial period there would be an increase in the number of claims preferred against the Railways. But with the progressive implementation of measures calculated to minimise the instances of loss of or damage to goods, occasions for making a claim against the Railways will obviously go down in course of time.

6. *Packing Conditions of goods:*—Your Committee asked the Chamber to suggest the measures which should be taken to enforce sound packing conditions of goods. We have no specific recommendations to make in this regard and can only suggest that sound packing conditions should be rigidly enforced by the Railways and goods with defective packing should be rejected or the relevant Railway Receipts Parcel Way Bills claused if the minimum packing conditions is not complied with.

In conclusion, I would refer you to the Chamber's recommendations already made in regard to the provisions contained in the Indian Railways Act which determine the competence of parties to prefer claims against the Railways and file suits in a Court of Law The Chamber suggested that the provisions should be modified to enable an endorsee of a Railway Receipt to sue the Railway for loss of or damage to goods in transit. I trust your Committee will give this suggestion their careful consideration and make such recommendations to the Government of India as would ensure that the negotiable character of the Railway Receipt is not vitiated.

The Indian Merchants' Chamber,

Bombay.

GENERAL

I. During the course of the oral evidence of the representatives of the Chamber before the Enquiry Committee in the last week of August, it was suggested that the Chamber should examine more fully certain points and suggestions arising out of the discussion and formulate its considered views on the same. Accordingly, the points in question have been further examined in the light of the preliminary discussion at the time of the meeting with the Enquiry Committee and I am desired to communicate to you hereby the considered views and suggestions of the Committee of the Chamber on the same.

1. Legs under the telescopic system of charges. In our representation to the Enquiry Committee, we had pointed out that the distance range for the initial leg (*viz.* 300 miles) and the subsequent legs under the telescopic scheme of charging was, in relation to the normal movement range for a variety of articles, high. We had indicated that the first leg under the telescopic schedule should be reduced to 100 miles and the subsequent legs re-arranged. Arising out of this, the Enquiry Committee wanted the considered views of the Chamber on the following detailed aspects.

(a) Whether for the different classes of goods there should be different legs with differing distance ranges;

(b) Whether for different commodities within the same classification the leg should be uniform, or would a system of variable legs for the different items in the same class, according to the particular requirements of each such item, be more advantageous.

We have given careful consideration to the aspects involved in the above queries and feel that the legs should be uniform for all classes of goods, there being no need for different distance ranges for the legs for the different classes of goods. We similarly feel that within the same classification also the leg should be uniform. Practical convenience and the need to avoid chances of confusion by the existence of varying arrangements for various classes of goods would indicate the adoption of a uniform leg for all classes of goods and again for all items under the same classification. Once the initial length of the leg and the distance ranges are rationalised, we feel that there are no special circumstances which necessitate the introduction of different legs with different ranges according to classification or commodities.

2 Machinery for variation of rates between the maximum and the minimum and for the grant of special station-to-station facilities.

In reply to Q: 2. of Part I-A of the questionnaire issued by your Committee, we had pointed out that, although there was provision for variation in the rate between the maximum and the minimum for each class and although the system contemplated the grant of station-to-station rate facility, in actual practice. the Railway Staff, responsible for the discretionary extension of these concessional facilities, were disinclined to exercise their discretion and grant the facility of a lower

freight. Your Committee had pointed out the factors which were operating in exercising a check on the administrative personnel in the matter of giving such facilities or concessional treatment. In particular, your Committee desired us to consider whether we would welcome the arrangement of the setting up of a separate special machinery at the headquarters level It was also incidentally suggested by one of the Members of the Enquiry Committee if the function in question could not be assigned to a Parliamentary Committee. We have reviewed the matter in the light of the considerations urged at the time of the discussion and appreciate the reasons underlying the hesitation of the Railway Departmental officials in exercising their discretionary powers in the matter of the grant of special facilities. We are, therefore, inclined to agree to the viewpoint that the functions and powers should be exercised by a special machinery set up at a high level. We have suggested the setting up of a Commission for examining and assessing claims for special assistance by railways designed to accelerate the pace of economic development in the country. Matters relating to the grant of special facilities within the framework of the rate structure such as variable rates within the prescribed maximum and minimum or special station-to-station rates, should come within the purview of the work of the proposed high level Commission. By such a procedure every claim for special assistance would be assessed on merits from the point of view of not only the exigencies of a particular case, but also from the point of view of long term requirements of a developing economy and once, after such review and assessment, the Commission recommends the grant of the facility, the same would not provoke adverse comments. A mere departmental machinery at the headquarters of the Railway, will not be able to do justice to the requirements of an objective appraisal of claims or the need for special assistance. In any departmental arrangement, naturally, the revenue consideration would predominate and the suggestion about entrusting this function to a Parliamentary Committee is, in our opinion, also not quite feasible. What is required is an objective assessament of the needs and requirements confronting a particular movement in the context of the place and position of such movement in the scheme of overall development. The scrutiny for such a purpose would be on the basis of specialised formula evolved on a continuous basis, taking all the economic and transport factors into full consideration and from the perspective of the need for giving stimulus to a particular trade or industrial activity. Only a high level specialised body like a Commission would be able to do justice for sustained work of that character.

3. Special assistance by railways for developmental purposes.

In our memorandum of replies to the questionnaire of the Railway Freight Structure Enquiry Committee we had emphasised the importance of the role of railways in the process of accelerating the pace of industrial and economic development in the country. Such assistance, naturally, would be in addition to and beyond the scope of the facilities permissible under the rate structure as prevailing from time to time. In particular, we had urged that the railways, as an instrument of national development, should consider it as part of their duty to render special assistance for the establishment and development of new industries and activities In short the promotional aspect, not only of traffic, but also of the economy of the country, should receive due consideration. We had suggested that for this purpose the Enquiry Committee should consider the desirability of recommending the setting up of a high level body in the nature of a Railway Commission. Whether the Commission should be known as a Railway Tariff Commission or Railway Freight Rates Commission is, after all, a matter of detail. The emphasis should be on its scope and function and the part it is intended to play in formulating the approach of the railways to the problem of stimulating the economic and industrial growth. For obvious reasons, we would be only in a position to indicate in broad outline the scope of work of such a Commission and its composition. It is something in the nature of setting up a machinery to meet the particular requirements of our country and, therefore, we have not much by way of precedents or practice prevailing in other countries, for guidance in formulating the details of the arrangements connected with its work and scope. We are annexing two notes, one regarding the Inter-State Commerce Commission in the U. S. A., and the other relating to the British Transport Commission. The position in our country is not on all fours with that obtaining in the two countries and, therefore, the same arrangement or practice will not, as a matter of course, prove quite suitable for our requirements. They would necessarily have to be adapted to meet the particular requirements of the case of the Indian Railways. In the first place, the Inter-State Commerce Commission in the U. S. A., regulates all forms of public carriers and regulates, to a large extent, freight making in all such forms of transport It must be remembered that in that country the ownership of transport is in private hands and the Commission is in the nature of an official authority regulating the activities of the private owners in the various sectors and securing the necesary amount of co-ordination in the common interest of the community of users. The railway system here is operating under different circumstances or conditions Again in the case of the British Transport Commission, it is something in the nature of an ultimate executive authority, trying to co-ordinate the functioning of all forms of transport. While we may, therefore, draw from the experience and practice of the bodies in question, we will have to evolve our own machinery to meet the particular requirements that we have in view. The Committee of the Chamber have in view in their suggestion under reference a body somewhat analogous to the Tariff Commission which assists Government in the implementation of its broad policy of stimulating the development and growth of industries under a scheme of tariff protection and on that basis the proposed Commission should be composed of persons of high calibre. In broad outline, the personnel should consist of a Chairman and not less than four persons; the Chairman should be drawn from the ranks of the judiciary. The members should be, as in the case of the

Tariff Commission, men of eminence, drawn from sectors of activity in which they would have had the background of experience in problems confronting the different forms of transport, rail, road and water.

While the commission would be an authority functioning under the Transport Ministry as such, it should not be considered as part of the Railway administrative machinery, i.e., it should not be treated as forming part and parcel of the administrative arrangement coming within the jurisdiction of the Railway Board for all administative matters. While the findings of the Commission may be treated as recommendatory, a convention may be developed that such findings would, as a matter of course, be accepted or acted on, except in cases where for larger reasons of policy, the Ministry considers it desirable to reconsider or modify the same.

It is also difficult, at this stage, to define exhaustively the scope and nature of the work and functions of the Commission We would like to suggest that the observations of the Committee in that direction should be taken as illustrative indications. As mentioned earlier, first and foremost, the Commission should be concerned with the question of the form, scope and nature of the special assistance to be given by the railways for stimulating the pace of economic and industrial development in the country. Secondly, the Commission should be authorised to go into and assess claims for special assistance within the frame work of the existing freight structure, *viz.*, variations between the existing maxima and minima and special station-to-station rate facilities. The Commission should also be empowered to make recommendations regarding promotional facilities for developing new transport or nursing new types of movements. While the primary function of rate fixing may not be within the scope of the work of the Commission, it should be empowered to investigate complaints of anomalies or hardships caused by the existing rate structure.

The Enquiry Committee had also desired us to review the point as to whether, if such a Commission is appointed, the present arrangement about Railway Rates Tribunal should continue, or whether the functions now discharged by the Tribunal could, with advantage and without jeopardising the purpose to be served, be entrusted to the proposed Commission. We have no strong views on the subject. The functions of the Railway Rates Tribunal, as it functions today, are essentially of a judicial character. It mainly deals with complaints arising out of freight rates. It has been observed that, because of the rigidity of the judicial procedure, the cost and time factors have come in the way of the fuller utilisation of the machinery of the Tribunal or of the facilities provided by the Tribunal. In any case, if the functions of the Railway Rates Tribunal are also to be transferred to the proposed Commission, then suitable arrangements should be evolved for continuing the existing procedure of the association of assessors drawn from trade and industrial interests for assisting the Commission in the process of the examination and decision on complaints arising out of freight rates. In short, before endorsing the suggestion that the Tribunal as a separate authority, may be discontinued and that its functions be discharged by the proposed Commission, the Committee of the Chamber would like to have a clearer idea of the proposal for the Commission as it emerges finally and the integrated arrangements for dealing with freight complaints, having essentially a judicial character.

II. IMFORMATION ON TRANSIT INSURANCE.

As mentioned in our earlier letter, we were endeavouring to collect information on the above subject from the Insurance interests. I am now to indicate here below the rates of Rail Risk Tariff for various classes of goods :—

Class of goods.	*Rate - Annas %*
1. Piecegoods, yarn and other textile fabrics in bales and/or cases (excluding gunnies and hessians) and/or metals in blocks, slabs or otherwise unmanufactured and/or grain and/or seeds and/or groundnuts	1¼
2. Non-hazardous goods other than the above including gunnies and/or hessians in fully pressed bales	2¼
3. (a) Hazardous goods excluding vegetable oil in bulk transported in tank wagons ...	4¼
(b) Vegetable oil in bulk, transported in tank wagons	3¼
4. Extra-hazardous goods as follows;—	
Matches, crackers and fireworks, gunpowder, ammunition, celluloid, hay, grass, straw, spirits, acids of all kinds	5¼
5. Cotton in fully pressed iron bound bales	2¼
6. Cotton hemp and/or other vegetable fibres other than in fully pressed bales ...	6¼

As regards the rates for other risks, it is pointed out that these extras are charged according to the extent of cover required and the nature of the commodity, packing, etc.

It is regretted that it has not been possible to secure information with reference to individual commodities.

DELHI

Federation of Indian Chambers of Commerce & Industry, New Delhi.

PART I-A.

GENERAL

I have to refer to your letter No. RFSEC/OE/3 dated 24 October 1956 regarding the oral evidence tendered by the Federation's representatives before your Committee on the 22nd September during the course of which the Committee had sought the Federation's views on certain aspects arising out of the written memorandum. In your aforesaid letter you have listed the following points:

1. The part that railway freight should play in the development of industries;
2. Variations in the selling prices of commodities between the pre-1948 period and now;
3. Federation's modified views on the problem of manufactured goods from cottage industries *versus* organised industries.

1. Part that railway freights should play in the development of Industries:—In our written Memorandum. it was urged that the structure of freight rates has two aspects—the revenue aspect and the development aspect—and that these two aspects are. however, not contrary or incompatible especially in the context of an expanding economy. It was also stressed that the appropriate freight rate policy which the railways should follow is to offer developmental rates. The point raised during the course of the oral evidence was whether apart from more station-to-station rates and more wagon-load rates, the railways should adopt any other system for the promotion of industrial development.

Broadly, freight rates can be adjusted through (i) lower classification of any particular commodity if the movement of that commodity is to be encouraged for general development, (ii) offer of special station-to-station rates if a particular type of traffic is to be encouraged and (iii) offer of special wagon-load rates especially in relation to movement of raw materials and other bulk consignments. The point which the federation wanted to stress was not so much the application of any new method. but the spirit of implementation of the existing methods themselves. Our suggestion for a re-orientation of rate policy was not for any basic change in methods, but for a re-orientation of approach. The Railway Administrations and the Railway Board, while dealing with cases for lower class rates or for special rates. are prone to lay more stress on the revenue aspect than the developmental aspect. A possible loss of revenue in the short term by opening up new areas or encouraging the establishment of certain industries or assisting the development of our export trade seems to weigh more with the Railway Administration than the long term aspect of traffic development by which the Railways and country will gain ultimately. The Railways should and can play a vital role in the general economic development of the country. While this is accepted by the Railways, in practice they tend to be occupied with the revenue aspect only. Adjustments in the class rates, increasing the scope for wagon load rates and a more liberal grant of station-to-station rates can go to a great extent in the general promotion of economic development by encouraging the establishment of new industries, opening of new areas and promoting our export trade.

2. Variations in the selling prices of commodities between the pre-1948 period and now :— The purpose of preparing a Statement showing the variations in the selling prices of commodities seems to be to gauge the actual incidence of freight rates on particular industries in relation to the selling prices of their products. The constituents of the Federation have been reqested to furnish details regarding selling prices, but the requisite information has not yet been received.

3. Federation's modified views on the problem manufactured goods from cottage industries versus organised industries :— Broadly speaking, industries can be divided into large-scale, small-scale and cottage industries. The difference between large and small-scale industries is rather thin and the unit appearing to be small-scale in relation to a particular industry might be actually large-scale in relation to another industry. It has however come to be recognised that units employing less than 100 persons without power and 50 or less persons with power may be deemed as small units. But it would be difficult to define a small-scale industry as such. The problem of small-scale industries is essentially one of proper organisation and steps have already been taken by Government in this direction. Government have come to lay great stress on the development of cottage industries. Diverse methods are also being adoped to prop up the small and cottage industries. Some of them are heavy taxes or cesses on the products of organised industries, differential tax incidence in relation to the products of organised and cottage industries, outright subsidies, reservation of certain lines of manufacture, reservation of markets rebate on selling prices, technical assistance, etc. In the written Memorandum of the Federation, we had stressed that the railways should develop all industries and that differential rates for organised and cottage industries would lead to serious practical difficulties. If in line with the national policy cottage industries are to be encouraged, then the railways should take into consideration the other forms of assistance received by the industry concerned

and if there is sufficient justification it might utilise the freight structure to assist such industries rather than quoting a general lower rate for the products of cottage industries irrespective of the other methods of assistance received by them.

KUTCH

Chamber of Commerce,

Gandhi Dham.

PART I-A

Q: 1. Short distance traffic is penalised by (a) upgrading the classification (b) by applying the telescopic rates and taking the first leg of 300 miles, because most of the traffic moves within the distance of 300 miles,

No. of classes reduced from 16 to 15.

Most of the commodities upgraded :—Tea was 4th class in 1948. Now 10th class. Gunny bags 2nd class now 7th class. Dry chillies 4th class now 8th class. Munjban 3rd class now 7th class. Iron bars 2nd class now 4th class. Groceries 8th class now 12th class. Dry fruits 4th class now 8th class. Soap 2nd class now 4th class. Cotton full pressed from 4th to 8th. Cotton half pressed from 6th to 12th. Cotton loose from 9th to 14th. Cotton rope from 4th to 8th class. Gum crude 2nd to 4th class. Gum manufactured 7th to 8th.

Scheduled and station to station rates abolished—general increase in freight charges.

Telescope rates benefit long distance, Kovilpatti to Gandhidham.

Formerly: 1686 miles. In 1948 miles charged 1550. In 1955 - 1600.

The preliminary leg from 300 miles be reduced to about 100 miles. Abolish short distance charge.

In case of loading and unloading 6 pies on each end and 1 anna charge and 1 anna supplementary charge on the whole including the surcharge—ofcourse not on grains.

Unjha to Howrah—Mustard seed and rape seed.

Howrah to Deesa—Tea.

Q: 2. It has given impetus to road transport and alternative means of conveyance wherever available in certain areas. Near Cochin most of the goods are moving by sea or inland water transport due to changed policy of short haul. Prior to 1948 Railways were under company management. Wherever the traffic could be attracted they allowed station to station rate but now the commercial department vested with this power does not make the best use of it because of so many technical hitches.

BCO is a cotton producing area; exported about 50,000 bales a year to Bombay; in absence of station to station rate available, the traffic at present stands diverted by sea via Kandla.

Q: 3. (i) Sufficient inducements may be given to the trade to move the articles in wagon loads by substantially increasing the number of articles for wagon load rates.

It is suggested that the grouping of commodities into classes may be made more or less on the basis of their value, and nature of the load.

(ii) (a) No comment.

Every effort should be made to extend station-to-station rates.

Example : -Nizampur/Dabla—rates for Bombay and rates for Kandla.

Q: 4. (i) No charge need be made for distances beyond 1,500 miles.

(ii) This facility should be extended to all the wagon-load scales.

Q: 5 (i) The terminal charges as at present are not related to the actual services rendered. No terminal charge should be levied where facilities such as, weighment, storage in covered accommodation, cranes, hydraulic power and such other facilities are not available. If the system of terminal charge is to be continued irrespective of facilities available at different stations 50% upto first leg is suggested by us.

(ii) "Short distance" charge for haulage of less than 75 miles, should be discontinued.

(iii) The charges levied by the Railway fully cover such services and therefore no extra charge should be levied. It should be the aim of the Railway authorities to connect different parts of India with one gauge.

Q: 6. No change is necessary.

Q: 7 No. It should be 10 miles as originally. In case of re-booking, actual mileage from the destination station up to the desired station should be charged.

Q: 8. We are in favour of the abolition of the charge for haulage of empty tank wagons wherever it exists.

Q: 9. The question of regrouping may be entrusted to an Expert Committee consisting of officials and representatives of trade Associations who should decide this question

having in view not only the nature of load but also the price of the material.

Q: 10. Not satisfied. Refer to Q: 3 and Q: 9.

Wagon load facility and station-to-station rate should be extended to more commodities and the discretionary powers for extending station-to-station rates should be used liberally by authorities concerned.

For Kandla it is Re. 0-12-8 per maund.

For Bombay it is Rs. 1- 2-0 do

Station-to-station rate has now been extended to Bombay and made Re. 0-14-8 and not to us.

Quote Bhavnagar if possible.

Q: 11. No. The present relationship is justified. All inducement should be given to move commodities in wagon loads.

Q: 12. The minimum charge on consignments in wagon loads should vary with the class of commodities carried and no extra levies be charged in case of short distances.

Q: 13. It has been experienced that proper facilities are not available for booking of 'smalls' and therefore trade experiences great handicaps; there can be no objection if different charge is levied on different class of commodities, but every effort should be made to encourage the small trader also by accepting "smalls".

We also feel that Repack Train system has deteriorated considerably.

Q: 14. In view of the availability of parcel system there is no objection if the minimum weight by goods train is raised to 15 seers.

Q: 15. It is neither advisable nor practicable to group all commodities into one class. We have already stated that the commodities may be grouped in view of the value and nature of commodities.

Q: 16. (i) It is desirable that proper air space and place for placing packing be allowed to avoid damage to the cargo loaded, therefore, present system be continued.

(ii) We advocate the desirability of enhancing the sphere of wagon load rates but there is no room for enhancing the rates for smalls.

(iii) The trade would generally welcome such a move.

Q: 16. (A) Generally wagon load rates be extended for more articles.

(i) In this case the minimum weight should be determined in view of the nature of the cargo.

(ii) Yes.

Q: 17. There is every justification for a reduced train load rate. But at the same time it may be considered that at all the points it may not be possible to unload the full train within limited period of 6 hours and therefore in cases of train load carrying more than 20 M. G. wagons be allowed at least 10 day light hours.

The train load movement will bring large income to the railways in view of speedier turn round and less claims.

In this connection it would be advisable to encourage clubbing of consignments. We would advise the development of a booking agency which would encourage clubbing of consignments.

Q: 18, It should be a settled a policy of the Railway to run an express or special goods train when smalls have accumulated and the regular service is not in a position to clear the articles booked. Regular bi-weekly or weekly specials may be run to clear all consignments without any special charge. It should be made a point that no consignment remains at Goods Shed for more than two days, after the date of booking. It has also been noticed that the space in Repack Van trains is not fully utilised. A strict check on this will improve matters considerably.

Q: 19. It is desirable that an uniform policy be devised for all the railways. No demurrage should be charged at forwarding or destination station when the railways fail to supply the cranes inspite of indents placed in time.

At present the minimum charge levied is for 4 hours at Rs. 9/- per hour as this will be a heavy burden when there is only only one or two consignments to be handled. Therefore time limit be reduced to 2 hours as minimum charges.

Q: 20. It has been experienced that though in the tariff separate rates have been laid down for separate gauges in practice the Railways charge higher when live stock is moving from one gauge to another. It is also noticed that the number of animals placed in each wagon is excess looking the space for facilities available.

	B.G	M.G.	N.G.
Present:—			
Horned Cattle ...	10	8	6
,, With Calves...	8	6	4
Suggestion:—			
Horned Cattle ...	8	6	4
,, With Calves ...	6	4	3

Q: 21. (a) In view of inadequate mileage of all-weather roads it will not be desirable at this stage to discontinue such traffic.

(b) This should await till alternative means of transport are fully developed.

(c) It is desirable that full co-ordination be developed between the Railways and Coastal Shipping; there will be no objection to rationalisation if materials can reach the destination without any additional burden.

Q: 22. This question should wait till different forms of transport are fully developed and can work more or less on a competition basis.

Q: 23. In order to avoid unnecessary burden on short distances area it is desirable that if a freight pool is brought under operation it should only relate to distances over 300 miles.

Q: 24. This relates to Jute Area only: hence it should be referred to the organisations representing that area alone.

Q: 25. We should suggest a representative committee consisting of Railway Officials and Representatives of different trade Associations concerned should examine the issue, work out the freight pool.

Q: 26. In view of the changing circumstances the need for cheaper and efficient transport has increased and the Railways should satisfy that demand. The Railways will get amply remunerated by the increase in volume of traffic

Q: 27. The Railway Administration is generally averse to use their discretion for the waiver of charges. Specific instances can only be available from official records

Q: 28. General experience is that the Railway Administration is disinclined to assist the applicants by agreeing to the facility of special or station-to-station rate, detailed information is asked for on points which are generally beyond the knowledge of the applicant and long correspondence is entered into with the result that these concessions are not made available. As for example, for the develpoment of Kandla Port traffic we requested for concessional freight rate on several commodities in order that trade may be induced to move their goods through this port, but nothing has been done so far.

Q: 29 In spite of all the defects in the telescopic rates there may not have been marked unfavourable effect in absence of alternative transport facilities but it can be said that the abolition of a number of station-to-station rate was unwelcome.

Q: 30. Each question will have to be examined on merits bearing in mind the economic development of particular industry or place. The principle in deciding the station-to-station rate should be to encourage traffic consigned to export centres and the economic development of centres concerned.

Q: 31. The railways may be initially required to suffer some set back in their earnings specially when some assistance is to be rendered to a growing industry or developing port. This loss will be amply remunerated by increase in future traffic in volume.

Q: 32. The Railway as a national concern should feel it as a part of their duty to render all assistance to the development of new industries and continue to assist for some time till the industry comes in the with other developed industries.

Q: 33. This question will have to be investigated from the view point of protection or assistance required by industries which are absolutely new or which require preferential treatment to grow.

Q: 34. At times the railway authorities while working out the returns on the prospective lines draw a very pessimistic picture while when the the line actually commences to work the result is encouraging as for example-Kandla-Deesa Railway.

It is only the strategic Railway lines which run in loss, but all commercial Railway lines generally pay good dividends.

Q: 35. We should only say that no financial considerations should outweigh the national developmental needs.

Q: 36. Loading and unloading at transhipment points and at terminals should be mechanised. More stations should have cranes and other mechanical appliances for this purposes. Warehouse facilities should also be improved and extended. Approach roads to Goods-Shed be improved so as to permit heavy traffic. Warehouse with modern facilities such as waiting hall for traders, telephone arrangement etc. etc., should be provided from current revenues.

Q: 37. If village and small scale cottage industries are to be developed it must be the aim of the Railways to extend the lines as much as possible without taking into consideration the initial remuneration from movements of such goods.

We do not generally advocate relaxation in packing conditions. The Railway may give certain concession in freight rate to encourage cottage industries by special grouping etc.

Q: 38. We do not know.

Q: 39. It is not known about which commodities it is alleged that the Railway Administration carries them at a rate below their operating cost. We can give our opinion only after full study of the particulars of the operating cost and the freight on the said commodities.

Q: 40. We do not agree with the apprehensions of the railway. We think with the development of the industries finished products cannot be consumed at the producing centre and will move in large quantities enabling the Railway to earn good freight. It may be, in the initial stage there may be some set back in the Railway revenue.

Q: 41. It is desirable to have stable rates to enable the trade to work their actual cost. The Government or the Railway can compensate the trade in case of crises in international market by subsidising or declaring rebate on freight.

Q: 42. The increase in the Railway revenue pre-supposes increase in the volume of traffic, but it is difficult to say about the range of movement of different commodities. Official figures can only throw light on this.

Q: 43 (i). We do not think the freight rate policy has influenced the location of any industry. It may be said that the subsequent assistance rendered by the Railway by way of concessional freight etc., may have accelerated the pace of development.

Q: 44. Generally the products are supplied F.O.R. starting station.

Q. 45. So far there is no movement of these articles in this region.

Q: 46. This area is a heavy deficit area and in spite of all the agricultural and irrigation projects, imports food-grain from the Punjab, Rajasthan and Central Provinces. It will take some time before this area becomes self sufficient in food-grains.

Q: 47. On this region railway line has not even touched one percent of the villages and therefore the cultivators are deprived of all the benefits that railway can confer on them.

Q: 48. The Government is planning to allot land for the development of light and heavy industries near Kandla Port. It will be too early to comment until the exact picture of this plan is known.

Q: 49. It is very hard to say at this stage.

Q: 50. The development plan of the Government in this region is yet to take proper shape and therefore to make any estimate of anticipated increase in traffic will be too early.

Q: 51. Not known.

Q: 52. The whole development plan is still under initial stage and it is not known what industries the Government is going to establish in this region and therefore no assessment of the quantum of the new traffic can be made.

Q: 53. Same as Q: 52.

Q: 54. It would be desirable if the Railway freight structure is so framed as to attract the trade to move their goods in large quantities and see that goods reach every corner of the country without much difficulty and at a cheaper cost. Special attention should be devoted to the freight rate for export cargo in order to help export trade.

Q: 55. Fully covered in previous replies.

PART I—B

ANNEXURE V

Q: 1. Nil.

Q: 2.

1952 53	1,13,698 Tons	In case of Kandla Salt Works.
1953-54	1,31,628 Tons	
1954-55	1,75,000 Tons	

Q: 3. As no rail link existed in 1948 no comparative statement can be given.

Q: 4. No raw materials are imported for salt industry As regards the despatch of finished products the manufacturers are allowed to despatch the products in a particular zone only viz. U. P. and North Bihar. The nearest station or the distributing centre is BELANGANJ 650 miles from Kandla and the longest centre of distribution is KATIHAR Junction 1250 miles.

Q: 5. Nil.

Q: 6. 25% of the products move by rail while 75% by sea.

Q: 7. (a) Nil.

(b) The selling price of salt ex-works is Re. 0—12—0 per maund as against the freight varying from Rs. 1-1-6 to Rs. 1-10-5 plus other supplementary charge, levied by the railway. Selling price at the consuming centre is not known.

Q: 8. In view of zonal restrictions this commodity moves only to certain areas.

U. P.	14,400 tons	1954—55
N. Bihar	22,272 ,,	,,
Delhi	28 ,,	,,

Even for these places sufficient number of wagons are not available. The demand of the Industry is 40 wagons per day as against that they receive on an average 12 to 15 wagons a day.

ANNEXURE—VI

Q: 1. The petroleum products are imported in bulk by tankers and therefore Railway freight structure cannot be compared with local selling price.

Q: 2. The installations have been recently put up and therefore the question does not arise.

Q: 3. The oil refineries have already started functioning a year back. The Industries concerned will be in position to answer correctly.

Q: 4.

			Petrol	*Kerosene.*
1	to 50	miles	Nil.	Nil.
51	to 100	,,	40,000	—
101	to 200	,,	200,000	1,00,000
201	to 300	,,	3,00,000	2,00,000
1200		,,	10,00,000	15,00,000

Q: 5. Petroleum products are received in tankers and pumped in the installation storage tanks. From these tanks, tank wagons are filled in and despatched to various destinations. There is heavy shortage of tank wagons and therefore part of the requirements of different centres can only be met with by these installations. Similarly the installations experience great difficulties in securing box wagons with the result M/s. Caltex India Ltd., had to stop their productions The monthly demand of the three companies is 300 box wagons; whereas they get 60 to 70 wagons per month.

Q: 6. In calculating the telescopic data it happens that due to change in gauge the consignments are to be transhipped at certain stations. It happens that the C. C. of wagons being different the installations have to store products in their storage tanks at transhipment point. This involves locking up their capital In such cases the freight be collected at the destination instead of transhipment point.

Q: 7. Kandla port is best suited for distribution to several points in Northern India, Rajasthan and North of Delhi and East Punjab. If sufficient number of tank wagons are not supplied it has been observed that some of the centres, though within easy reach of Kandla, are to be fed from Bombay to meet with the requirements.

Q: 8. We don't know.

MADRAS

The Tamil Chamber of Commerce, Madras.

GENERAL.

In the Second Five Year Plan Government have launched a heavy programme to improve our transport like Railways and we cannot do better than repeat their words:

"An efficient and well-developed system of transport and communications is vital to the success of a plan of economic development which lays stress on rapid industrialisation".

And they have also adopted the Industrial Policy Resolution 1956 and to achieve these objectives is a herculean task and still within the practicable limits.

We feel that mere improving the transport by increase of wagons and coaches may not assist us to achieve our objective and we should therefore go deep into the matter and meet the problem of freights used in transport, particularly industrial raw and finished products so as to assist regimentation of industries throughout the country. We would like to say that freights for raw materials should be equitable to the industrial centres irrespective of the distance, so also manufactured products. Government have been adopting this policy in selling cement and iron and steel and sugar basing thier prices on All India basis wherever it is and Railway freights on raw materials and manufactured products based accordingly would considerably help and assist industries to be developed on regional basis. The argument that coal is not available in South India cannot hence stand to reason.

Your recommendation would be vital to the progress and achievement of the Second Five Year Plan and I am sure that your Committee under the able guidance of Dr. A. Ramaswamy Mudaliar would rise to the occasion and do the needful. It is needless to mention here the abilities of Dr. Ramaswamy Mudaliar as they are known to all of us. We would like to add that he was solely instrumental in creating the Sindhri Fertilizers and if we may say so, he is the Father of Sindhri Fertilisers and his address to our Chamber in 1945 on this subject when he was the Commerce Member of the Cabinet of the pre-Independence is still ringing in our ears.

WEST BENGAL

Bharat Chamber of Commerce, Calcutta.

GENERAL

Re-classification of items to increase freight rate on them:—It may be recalled that in the course of giving evidence before the Committee, the Committee wanted the Chamber to suggest items by re-classifying which the loss of revenue that would be caused by re-classifying certain items could be made good.

I am required by the Committee of the Chamber to suggest the following items in this connection:—

> Ale & Beer; Arms; Artificial Flowers; Cigarettes; Gloves N. O. C. P/22; Golden Drink Powder; Golf Kit; Hats; Mattresses, steel P/20f; Millinery; Ornaments, gilt P/22; Ornaments made of beads; Paper kites P/22; Pipes, Smoking N. O. C., Pistols P/23; Polo Kit; Refrigerators, electric; Rubber or synthetic rubber, manufactured P/22; Silk, raw or in cocoons; Sola Hats P/22; Spirits, wines and cordials P/23. P/24 and p:d; Stamped paper; Stamps; Sticks, walking; Stone, cut or engraved; Thread, golden or silver, imitation; Tiles, glazed or ornamental; Tobacco imported; Toilet requisites N. O. C., Tubs, bath earthenware or fine-clay; Tubs, bath enamelled; Tubs, bath N. O. C.; Umbrellas, silk; Wire, gold or silver, imitation.

2 In the course of giving evidence before your Committee, the representatives of the Chamber agreed to forward its views subsequently on Shri Puri's suggestion for abolition of "240-Mds. rule" for use of a wagon.

As was explained in the Chamber's replies to the Questionnaire and also in the course of the evidence, the Chamber fully appreciate the need for ensuring full utilisation of the available wagon capacity. As a measure to secure this, the Chamber had suggested that there should be wagon-load rate for every commodity and there should be some rebate for using the wagons to their carrying capacities. In view of the diversities of circumstances for different commodities and under different market conditions, the Chamber does not consider it advisable to

stop the supply of wagon to a user who may not be able to offer loading upto the carrying capacity of the wagon. If a user uses a wagon only for carriage of 240 mds. or any other quantity below the quantity required to obtain the wagon load rate, he is paying higher freight rate for such use. This by itself is a sufficient disincentive and the Chamber feels that if there is wagon-load rate and if a rebate is allowed, there would be sufficient positive incentive for fuller utilisation of the carrying capacity. The Chamber therefore does not favour Shri Puri's suggestion.

The Chamber also undertook to supply the prices of salt at two centres like Allahabad and Patna to indicate how the salt moving *via* Calcutta was getting relatively higher-priced than the salt coming directly from the producing centre. The prices as supplied to the Chamber in the beginning of July were as under ;—

Allahabad.

Rate at Kandla	...	Rs. 2 6 0	per bag.
Freight	...	Rs. 2 14 6	,, ,,
		Rs. 5 4 6	

Patna.

Rate at Calcutta	...	Rs. 4 14 0	per bag.
Freight	...	Rs. 1 9 4	,, ,,
		Rs. 6 7 4	

You will please recall that the Chamber's representatives stressed that due to various factors, India was being divided into a number of Zones for the distribution of salt and the Government had constructed a big "Gollah" in Calcutta and for the purpose of distribution, Bihar, Orissa, West Bengal, Assam etc. were treated as one Zone. The Chamber would therefore urge upon the Enquiry Committee to examine the suggestion for lowering the freight on movement of salt within the Eastern Zone so that the salt coming directly from the producing centres may not be sold at a cheaper price than the salt which perforce must move *via* Calcutta. In this connection, the Chamber would also like to mention that there was a special Committee to go into the freight on salt and that Committee recommended that salt should be moved on the same basis as foodgrains. It appears that no action had so far been taken on the recommendation of this Committee. It should also be considered that salt is not only an essential consumption item but is also a very important industrial raw material.

The Bengal Chamber of Commerce & Industry,

Calcutta.

GENERAL

I

1. The members of the Chamber Delegation have considered the points raised in your letter No. RFSEC/OE/1 dated 4th August, 1956 and decided that no supplementary memoranda need be submitted on terminal charges, on the freight pool or on the subject of classification anomalies. It is understood that the industrial interests connected with the Chamber which were most affected by these points made the necessary comments during their oral evidence.

2. The Chamber would, however, draw your attention to the suggestion that reduced freight rates for train load movements with particular reference to raw materials for the paper industry should be introduced and that these special rates for train loads which would be beneficial to railway-users, could be justified also from the railway point of view by the reduction of operational costs. In the case of commodities like bamboo, the free time allowed for train loading at present does not allow loading of wagons with materials to capacity.

II.

1. Reference your letter RFSEC/Q/16 of 25th June, asking the Chamber to give a list of commodities whose manufacturers find that the minimum weight conditions act to their disadvantage since the capacity of a railway wagon is not sufficient to carry up to the minimum weight of goods prescribed.

2. As a result of enquires from constituents of the Chamber, it would appear that this applies *inter alia* to the case of the following commodities :—

(1) Empty containers for petrol, oil and lubricants, particulary 4 gallon kerosene oil tins, 40/45 gallon 18 gauge standard drums and 5 gallon 24 gauge standard drums. In the case of the last two items, the total weight of the drums which can be loaded in a wagon is 84 and 85 maunds respectively; but in both cases wagon-loads charged under the existing rules for a minimum of 120 maunds at class II rate. (B.G.)

(2) Hydrochloric Acid Jars in crates. The present minimum weight condition imposed by the Railways is 240 maunds. 2 x 28 lb. Jars are fitted in each crate and a crate withthe two empty jars weighs 31 seers. A wagon can accommodate 202 such crates *i.e.* a total weight of approximately 156 maunds. If a consignor wishes to return empty Hydrochloric Acid Jars in crates in

wagon-load lots then although the consignment weighs approximately 156 maunds, freight would have to be paid for 240 maunds. (M.G.)

(3) Light gauge tanks, pipe and pipe specials of large diameter and light structural materials such as wireless masts, flood light towers, etc.

3. The Chamber would be grateful if the Enquiry Committee could re-examine the minimum weight conditions for commodities of the kind described.

II. ORGANISATIONS OTHER THAN CHAMBERS OF COMMERCE

BOMBAY

The Bombay Charcoal Merchants' Association Ltd.,

Bombay.

GENERAL

The Railway Freight should take the following points into consideration:—

1. The charcoal is the fuel for common man in Bombay. Therefore its price should be kept within the means of the common people.

2. That the trade has the capacity to pay the freight.

3. That the thousands of people engaged in production, distribution and sale of charcoal are not thrown out of employment.

4. Looking to the needs of the people and fuel trade being in the grip of a keen competition of kerosene, gas, coke and electricity, this Association decided and reduced the retail price of charcoal from Rs. 5-8-0 to Rs. 5-0-0 per maund in November, 1953.

5. But unfortunately for the charcoal trade and public the Central Railway changed its method of rate structure, thereby increasing the freight by 35% as from and on 15th, October 55. Previous to 15th October 55 the freight on charcoal was under a classification of special rates and the Central Railway had lumpsum rates for the floor areas of wagons of 1 to 200 cft., 201 to 250 cft., 251 to 300 cft., and 301 to 400 cft. The railway had special rates for charcoal. for the wagons of above floor areas, keeping in view the distance *viz.* 1 to 10 miles, 11 to 20 miles and so on. In short, for your ready reference, I suggest that the Charcoal rates were charged before 15th October, 1955 according to Chapter VI-C of Central Railway Goods Tariff Part I Page 144-145 floor area calculated rates charcoal fuel in covered wagons, but on and from 15th October, the classification is changed and the Central Railway is charging the freight on charcoal on weight basis, the rate being per maund but it is curious, how the Central Railway arrived at the capacity of the wagons, that the Central Railway now is charging on the floor area.

6. The weight capacity the Central Railway is charging for floor area, on and from 15th October, 1955 is as under :—

From 1 to 200 Cft.	the weight capacity is fixed at			410	maunds.
,, 201 to 250	,,	,,	,,	500	,,
,, 251 to 300	,,	,,	,,	530	,,
,, 301 to 500	,,	,,	,,	820	,,

If the rates before 15th October 1955 (vide chapter VI-C of Central Railway Goods Tariff Part I page 144-145 floor area calculated rates charcoal fuel-in covered wagons) are compared with the new freight structure in effect from and on 15th October, 1955, it will be seen easily that the increase in freight is made by 35 p.c.

7. It is respectfully submitted that the bogie or eight wheeler wagon of 360 Cft. when loaded with dry charcoal will not with the charcoal contents weigh more than 600 maunds. In fact, it is many times less than 600 maunds. It is only in the monsoon that some qualities of wet charcoal may weigh more than 600 maunds but that may happen just for a few months, only when there is heavy monsoon. It would be unfair and inexpedient to penalise the traders and the consumers for the vagaries of nature.

8. On 4th september, 1956, at the meeting, the representatives of the Bombay Charcoal Merchants Association Ltd., were asked by your Committee to give the details of the floor areas of the various wagons, those are supplied in general for charcoal and state, how much quantity of charcoal in usual course of business is found to contain therein. In respect of the above enquiry, my submission is as under.

We get the covered wagons of the following areas only for the loading of charcoal and they are found to contain charcoal as under:—

No.	Area of the wagons.	Capacity *i.e.*, contents of charcoal in weight.	
1	153 Cft. 156 Cft. 157 Cft.	240	Mds.
2.	173 Cft. 177 Cft. 179 Cft. 185 Cft.	300	,,
3.	190. 196. 199. 200 Cft.	325	,,
4.	214. 215. Cft.	340	,,

5.	223, 225, 227, 229 Cft,	360 ,,
6.	257, 261, 262, Cft.	450 ,,
7.	Bogie of 360 Cft.	600 ,,

9. From the above list, you will be pleased to mark that the wagons of 153, 156, 157, 173, 177, 179, 185. 190, 196, 199 and 200 Cft. are all charged for 410 mds. though they bear much difference among themselves. These wagons can be put in three categories viz.

1.	153, 156, 157,	Giving the same output	240	mds. in wgn.
2.	173, 177, 179, 185	,, ,,	300	;, ,,
3.	190, 196, 199, 208	,, ,,	325	,, ,,

Again you can see that the 500 mds. weight is charged from 201 Cft. to 250 Cft. whereas wagons those are available are 214 Cft. 215 Cft. 223 Cft. 225 Cft. 227 Cft· & 229 Cft· only. At any rate there is no covered wagon supplied to charcoal so far beyond 229 Cft. to 250 Cft. and it is surprising that increase for 29 Cft. is calculated at 90 mds. under the present rate as can be seen from the table mentioned in para 6 of this memorandum. These wagons 'can be divided in two groups, wagons from 201 to 215 cft. and wagons from 215 to 229 cft. giving different output as mentioned in para 8 of this application viz., 214, 215 cft. give output of 340 maunds and 223, 225, 227, 229 cft.=360 maunds.

For wagons of 251 to 300 cft. the weight is charged at 530 mds. *i.e.* there is increase by 30 maunds. whereas increase of 90 maunds is made in wagons from 201 to 250 cft. as shown in para 6. The wagons which we get under this category are only 257 cft. 261 cft and 262 cft. *i.e.*, there is actually difference of 12 cft. and not 50 cft. and contents actually found weigh 450 maunds.

Last sir, for eight wheeler wagon *i.e.* Bogie the weight is charged at 820 maunds; and table in para 6 of this memorandum shows that wagons from 301 to 400 cft. are chargeable at 820 maunds which actually cannot weigh more than 600 maunds. We get this eight wheeler wagons or bogie of 360 cft. invariably.

10. After this change in the freight rates, though many traders have gone out of business, and the import of charcoal and consequently demand for wagons have gone down, still, due to falling prices of other fuels, we could not raise our retail rates. This fact goes to prove beyond doubt that the trade is not capable of bearing extra burden.

The Cotton Textiles Export Promotion Council,

Bombay.

GENERAL

The Government of India has sponsored the Cotton Textiles Export Promotion Council to examine and recommend steps to increase and maintain our export trade in textiles. The Council has already recommended a large number of steps for this purpose and in the course of our examination of the situation we find that the Railway Structure for the transport of cloth from inland centres to the ports forms one of the handicaps which comes in the way of the export of cloth manufactured in textile factories in inland centres. In view of the intention of Government to increase our exports of textiles from India it is pointed out that some relief in freight charges for cotton piecegoods meant for export will give considerable encouragement to the export of textiles manufactured in these inland centres.

We understand that when the Enquiry Committee visited Ahmedabad some discussion of this subject took place between yourselves and the Ahmedabad Millowners Association. It was therefore suggested that the Railway Freight Structure Enquiry Committee should fix a special rate for cotton piecegoods meant for export. This would be a right step to encourage exports of textiles and there should be no readifficulty regarding the same, as textile goods meant for export are marked for export only.

However, if it is not possible for the Railways to provide a special rate of freight in case of cotton piecegoods meant for export the system of rebate say, to the extent of 25 to 50% should be introduced and rebate should be made payable on the production of proofs or evidence that the goods in question have been shipped from the country. There is already in existence the system whereby such evidence of export is made available in the case of excise authority where similar proofs have to be produced.

We understand that recently the Government of India has been able to fix the price of cement on an overall basis though, in many cases this cement has to be transported great distances from the producing centres. In the interest of export of textiles we hope you will be able to fix a special freight rate on cotton piecegoods meant for export.

Hoping you will give all the assistance necessary to encourage exports.

The Bombay Oilseeds Exchange Ltd.,
Bombay.

At the oral evidence, we had promised the Committee to send arrivals of various oils into Bombay. We are enclosing a statement containing arrivals of oils from 1951 to 1954 and from 1st August 1955 up-to-date.

STATEMENT OF ARRIVALS OF VARIOUS OILS INTO BOMBAY.

(IN TONS)

	1951	1952	1953	1954	Form 1—8—55 to 31–12—55
Castor Oil	9,997	12,901	12,531	11,502	8,758
Groundnut Oil	66,126	67,452	36,470	51,067	14,938
Linseed Oil	7,257	9,175	2,860	2,961	4,375
Rape & Mustard Oil	227	574	560	505	96
Sesame Oil	2,293	1,085	1,611	1,640	1,500
Cottonseed Oil	2,003	2,410	5,842	1,746	2,068
Mowra Oil	2,086	1,177	548	463	846

Arrivals of various Oils into Bombay from 1-1-56 to 20-9-56.

Castor Oil	...	19,008
Groundnut Oil	...	27,068
Linseed Oil	...	12,630
Rape & Mustard Oil	...	87
Sesame Oil	...	1,146
Cottonseed Oil	...	2,646
Mowra Oil	...	942

The Millowners' Association,
Bombay.

PART I—A

GENERAL

(a) *Block Mileage System.* In reply to question 3 of the questionnaire of the Railway Freight Structure Enquiry Committee, we had suggested that the existing legs of the telescope should be revised as under:

> "Upto 200 miles as First leg; From 201 to 500 as the Second Leg, and beyond 500 miles as the Last Leg of the telescope".

When we appeared before you, it was pointed out to us that various organisations had suggested still shorter legs, and we were asked to review and give our considered opinion on this matter bearing in mind that there should be no loss of revenue from any reclassification suggested.

According to the Railway Board statistics, the average haul of goods by the Railways is 300 miles. The average position suggests that long hauls are limited and that the bulk of the movement takes place in the first and second legs of the telescope. No statistics are, however, available to show the density of movement in each leg of the telescope. In the absence of relevant data, it is very difficult to suggest any reclassification of legs but we are not opposed to still shorter legs than suggested by us in our written evidence.

(b) *Minimum weight Conditions*: In para 6 of Chapter VIII of the Goods Tariff—General Rules, 'minimum weight condition' has been defined to mean the minimum weight in maunds per consignment to which the prescribed freight rate applies. As an example, it is stated that if the alphabet 'C' is suffixed by a figure, say, 100, i.e., C/100, it means that the rate applies to minimum consignments of 100, maunds. Appendix G which is framed under Rule 74 sets forth the standard minimum weight conditions which are to be applied only if specifically attached to wagon load scales or lower classification for wagon loads as shown in Chapter VIII, or to station-to-station rates quoted for different commodities. As Chapter VIII stands, there is, however, no mention of any minimum weight so far as piecegoods are concerned nor is there any indication of its applicability to piecegoods in Appendix G. This means that Cotton piecegoods whether consigned as "Smalls" or in wagon loads attract only class rates and there is no question of application of wagon scales.

Perhaps, it is the intention of the Enquiry Committee to know what minimum weight condition should be attached to cotton

piecegoods, if wagon load scales are to be granted to them. If it is so, then taking everything into consideration, minimum weights for cotton piecegoods should, in our opinion be: 200 Mds. for B. G. Wagon; 150 Mds. for M. G. Wagon and 100 Mds. for N. G. Wagon.

(c) *Separate body to go into the matter of assistance to industries in the shape of concessional rates of transport.* In reply to question No. 32 of para 1 of the questionnaire of the Railway Freight Structure Enquiry Committee, we had suggested that the railway freight structure might be utilised to assist devolopment of particular industries or interests but in such cases, freight concession should be preceded by positive recommendations of the Tariff Commission. It was, however, pointed out to us by the Enquiry Committee that the purpose of tariff enquiry was quite different and that not all industries would go before the Tariff Commission because these industries might not need protection but yet need some concession in freight due to certain peculiar circumstances in which they were placed. In the light of this clarification, we suggest that the body in view should be a statutory body designated, say, as Rates Commission, appropriately constituted, which should go into the claim of the industry for concessional freight and make its recommendations. In view of the importance of the task assigned to this body, it should be presided over by a person with expert knowledge of rating.

Oil Industry Supply Committee,
Bombay.

GENERAL

We refer to the meeting which the Railway Freight Structure Enquiry Committee had with members of the O. I. S. C. on 30th August last, and as requested, we enclose—

(i) A note on Freight Pool : Equalisation of prices.

(ii) A Note on comparative Data for Oil and Coal for Industry and Railway Transport.

(iii) A Note of estimated Refinery Production and export during 1956.

We trust that this covers the information which you require.

Freight pool : Equalisation of prices

1. The objectives of any freight equalisation system are presumably to :

(a) Cancel out the regional advantage enjoyed by certain areas close to the sources of supply, and,

(b) Thereby assist the development of under-developed areas.

2. For oil products (b) does not necessarily follow from (a) as unlike most basic materials, the primary supply is available at evenly spaced points around the perimeter of the country at substantially the same prices *i*. e. the coastal areas have the lowest price and therefore the system is currently favourable to areas in the south such as Travancore-Cochin, Madras, etc.

3. The application of a freight equalisation system has to stand examination as being administratively feasible. This presupposes that the goods move on a single transport system, that there are the minimum number of freight rates applicable to the products being moved and that the goods are essentially homogeneous in nature. On all these counts oil products present a very bad case. Distribution is effected from many hundreds of depots all over the country, supplied from at least eight main ocean terminals or indigenous sources of supply. Many oil products move at different freight rates and a complicated and flexible pattern of various methods and combination of methods—tankwagon—road—barrels—boxwagon—tins, etc.

4. Beyond the depots the cost to the consumer is beyond the control of any freight equalisation fund. It moves into remote or undeveloped areas in the hands of agents in small lots by varied and sometimes primitive means. It is therefore an entirely different problem from steel or cement where the onward movement takes place in defined lots of reasonable size to individual projects, factories etc ; in the case of oil products the factor of movement beyond the railhead depot, and outside a freight equalisation fund, assumes a much greater importance.

5. The reason for this lies in the extreme dispersion of oil demand which for main products in country-wide use is running at about 1·8 gallons per sq. mile per day, and less than 3 gallons per head per year.

6. Apart from the practical considerations of weather such a system could be worked successfully, it is relevant that the Internal Freight Costs are in the neighbourhood of 6·7% of the total value of product sales. It is therefore evident that the element of freight which is susceptible to an equalisation fund is quite small and the effect of equalisation would be so slight that it would not be commensurate with the effort involved.

7. As a result of (6) and the extreme dispersion of demand it is a fact that any equalisation of freight would make virtually no difference to the ultimate consumer, such as the buyer of kerosine in small lots or bottles, as the small incidence of freight is lost in the rehandling factors involved.

8. It is important to realise that a freight equalisation system must take into account all methods of transport of which the rail system is only one, large quantities being moved by other systems such as the railroads. Furthermore, the system would have to include rigidly all present and future suppliers, otherwise inequitably large profits would be made by limited suppliers on the coast who would incur minimum capital equipment outlays in the main ports and take no steps to develop in the interior.

9. Currently there is an incentive for users to draw supplies to the maximum on the coast; anything that upsets this balance, and this particularly applies to the fuel used by road transport operators, will increase the load on the rail transport system by increasing the demand on stocking points upcountry.

There are obvious implications of unnecessary cross-hauls in this situation.

10. To clear the goods traffic in the port gathering systems and increase the ability to move goods for the shorter distances increasing reliance should be placed on the road system to clear these bottlenecks and release the capacity of the rail system for long hauls upcountry. To raise the cost of liquid fuels on the coast is clearly self-defeating in this objective.

11. Established industries in the main centres, of which the preponderance is naturally placed near the coast for sound economic reasons of supply of raw materials and shipment of export goods, will be penalised by an incidence of increased fuel costs which will impede their competitive power.

12. It is clear that with the geographical peninsular shape of the country and the main centres of supply located round the coast, the incidence of freight only assumes significant proportions in a relatively limited area, that of the central section of the North. It would appear that advantages accruing to a limited proportion of the country are far outweighed by the disadvantages of disturbing an established system and the extreme complications of application.

13. Furthermore, even in the north the incidence on most products in general use such as kerosine, is unimportant in comparison with the other handling factors involved before the oil reaches the final consumer, which are beyond the influence of a freight equalisation system.

14. Freight equalisation, if it is not hedged around with elaborate precautions, could lead to near chaos in oil distribution and a heavy avoidable burden on rail capacity. Unless all sources of despatch and their respective supply radii were to be carefully defined and revised whenever necessary, which last might become ever-frequent, it would be open to any source to feed direct by rail to any or all parts of the country paying no more in freight than to a destination a few miles away. As an example, the Refineries could rail the entire requirements of the country without troubling to ship any part round the coast to the various ports.

15. It is not suggested that reputable Oil Companies would attempt to take any such advantage; but it is open to reflection whether the existing development of minor port terminals such as at Kandla, Okha, Vizag and even Cochin would have occurred as rapidly and extensively as it has.

16. It is suggested that the legal safeguards which might be necessary against these contingencies and to preserve and extend existing developments might be so detailed and so changing that their enforcement could prove administratively impracticable.

17. *Conclusion*: Consideration of the practical problems involved in operating a freight equalisation scheme of this nature indicate serious doubts as to whether it would be capable of satisfactory operation. It would undoubtedly be expensive to operate and wasteful of specialised staff. Its final effect would appear likely to be small or negligible and certainly not commensurate with the labour and cost involved.

Compartative data for oil and coal for industry and Railway Transport.

This note has been prepared in respect of item five of Mr. Shrikar Rao's note No. 134X of 30th August 1956, to the O.I.S.C., Bombay. The particular paragraph is quoted below for ready reference.

> "The Chairman remarked that the Committee had been approached for a freight pool for coal, particularly by industries on the south and west coasts, and that might also apply to Diesel and Furnace oils. We pointed out that as it is, it was open to such industries and particularly the Railway around the ports, to switch over to oil and so release an immense amount of rail capacity from coal to high rated traffic. The Committee asked for a note on the comparative economics of consumption, price, thermal value etc., of coal v/s oil."

In the context of the terms of reference of the Committee which has sought this information on the relative economics of oil, and coal,it is obvious that the question has to be examined from points of view which would not normally apply in an investigation concerning say, a straight comparison as that of an individual factory however large it may be.

These factors are:—

(a) The economy should be considered in the context of a large national undertaking, *viz*., the Railways who are themselves both transporters and consumers of a large proportion of the fuels produced in the country, particularly coal.

(b) Oil is no longer an imported commodity. In view of the fact that it is refined in the country it enjoys the status of an indigenous product. Surpluses accruing should therefore be absorbed in the country rather than allowed to be exported because of the foreign exchange spent in importing the crude from which valuable products are refined in the country.

(c) In a few years when the Naharkatiya (Assam) production of about two million tons a year of crude is produced in the country there would undoubtedly

be larger surpluses of fuel oils in the country unless steps are now taken to absorb those in the country. The production from Naharkatiya would be 100% indigenous and must enjoy the same status in the matter of indigenous utilisation as coal produced in the country.

(d) Unless the whole plan is viewed in one perspective, unbalance and wasteful expenditure of resources of energy will occur.

(e) The Railway are the largest single consumers of fuel in the country and hitherto as oil did not enjoy the status of an indigenous product any fuel oils they used especially for railway traction were adopted with reserve. This disadvantage should no longer be attached to oil.

(f) The reality of the difficulties prevailing in the country in respect of railway transport which render large coal consumers for a field from collieries to live a hand to month existence whether due to shortage of wagons, inadequate tractive power or tracks, or bottlenecks owing to transhipment at break of gauge should be recognised and the pattern of distribution of fuels to industries so ordered in consonance with oils as to relieve as far as possible the prevailing state of affairs.

(g) The Railway could relieve itself of appreciable double haulage on coal to far away places from the collieries if it converts its locomotives to oil firing in suitable areas in the vicinity of the refineries and main ports. Further, on a broad national basis it should be ensured that appropriate industries in these regions are also converted to oil.

(h) Railway transport problems are likely to remain for some years to come and the time is ripe for planning now on the lines discussed above.

(i) The problem of conversion to oil from coal on the above premises therefore can be divided into two categories namely (i) application of oil firing for railway traction (ii) application of oil firing for industries.

The above factors will be discussed at some length later on; but it is worth noting down here the position of comparative economy of oil and coal on a straight parity basis.

(1) *Current rates for furnace oil.*

(a) Okha Rs. 135 7 0 per ton F. O. B. Installation.

(b) Bombay Rs. 138 6 0 per ton F. O. B. Installation.

(c) Cochin Rs. 134 2 0 per ton F. O. B. Installation.

(d) Madras Rs. 147 13 0 per ron F. O. B. Installation.

(e) Visakhapatanam Rs. 148 9 0 per ton F. O. B. Installation.

(f) Calcutta (Budge-Budge) Rs. 158 0 0 per ton F. O. B. Installation.

(2) ***Current rates for coal to industrial consumers.***

(a) Bombay Rs. 22/- to Rs. 40/- per ton on dump for rail borne coal.

(b) Cochin Rs. 46 to Rs. 48/- per ton on dump for rail borne coal.

(c) Madras Rs. 47/- per ton on dump for rail borne coal.

(d) Calcutta Rs. 26/2/- per ton on dump for rail borne coal.

The above rates are for selected 'B' quality coal. In many places especially near the ports because of inadequacy of rail transport sea borne coal is brought in and the rates for sea borne coal are Rs. 20/- to Rs. 30/- per ton higher than the corresponding rail borne prices.

(3) ***Estimated rates for Furnace Oil to the Railways.***

These are approximate and are based on railway statistics for 1954-55 with suitable allowances made for rate changes effected since then.

Central Railway zones		Rs. 175/- per ton.
Eastern	,, ,,	No information.
Northern	,, ,,	No information.
Southern	,, ,,	Rs. 175/- per ton.
Western	,, ,,	Rs. 165/- ,, ,,

4. ***Estimated Rates for Coal used by the Railways*** These are approximate and are based on railway statistics for 1954-55 with suitable allowances made for rate changes effected since then.

Central Rly. zone		Rs. 36/8 per ton
Eastern	,, ,,	Rs. 26/- ,,
Northern	,, ,,	Rs. 33/4 ,,
Southern	,, ,,	Rs. 55/- ,,
Western	,, ,,	Rs. 39/- ,,

II. Calorific value of Furnace oil and coal. (1) The gross calorific value of furnace oil is not less than 18,000 B. Th. Us per lb.

This figure is invariable and is not affected by long storage or any other factors as long as reasonable precautions are observed in handling and storage.

(2) The calorific value of 'selected B' coal varies between 11,800 to 12,600 B. Th. Us per lb., on which basis the average works out at 11,700 B. Th. Us. per lb.

It must be noted here that whereas the quality of fuel oils is within reasonable limits invariably, that of coal is affected by various extraneous factors to a great extent. The user is unable to check those unless he has facilities to test samples periodically The permissible limits for the 'ash content' of 'selected B' coal is 17.5% to 19.0%. Variation in ash and moisture content of coal can occur very easily and if in excess of the permissible limits will reduce correspondingly the weight of the combustibles in the coal and thus its heating value.

III. *Comparative Consumption of Furnace Oil and Coal* (1) The relative consumption of coal and oil—on the basis of their calorific values—would be in the ratio of 18,000 to 11,700 in 1.54 to 1.

(2) This would be true only if the efficiency of utilisation of coal were the same

as that of oil. This is not however the case except in certain large highly specialised plants as will be seen from the under noted figures of coal/oil parity prepared by the Petroleum Industry Advisory Committee in the U. K. some years ago.

	Coal/Oil Parity.
Glass manufacture ...	2.0
Iron & Steel manufacture ...	2.1
Open hearths	
Soaking pits & reheating furnaces.	2.0
Heat treatment furnaces ...	3.0
Forging furnaces ...	4.0
Nut & bolt furnaces ...	6.0
Industrial furnaces:	
Non-ferrous metal ...	3.0
Vitrious enamellings ...	2.0
Non-metallurgical furnaces.	2.0
Steam raising.	
Medium Installations ...	1.8
Large Installations (large thermal stations) ...	1.5
Marine craft. Steam vessels	1.5
Railway Traction (Steam locos) ...	1.6
Brick Kilns ...	1.8
Pottery Kilns ...	2.5

3. It must be noted that the above figures are based on British Coals which can certainly be assumed to have calorific value of not less than 12,500 B. Th. Us/lb. as supplied to industrial users. The parity figures shown above will be slightly more favourable to oil for 'selected B' coal with a calorific value of only 11,700 B. Th. Us/lb.

4. The main reasons for giving oil a greater parity than the thermal equivalent are:—

(a) Accurate control of heat and increased flexibility of operation.

(b) Higher thermal efficiency and increased output from a given plant.

(c) Absence of smoke, dust and ash.

(d) Saving in floor space for storage.

(e) Economy, due to little or no wastage or pilferage.

(f) Saving of labour in handling fuel.

(g) Less wear and tear of the furnace and therefore repair bills are much less.

It must be noted however that oil firing would involve a certain amount of extra capital expenditure (a) on making suitable alteration to the furnace (b) on the purchase of oil firing equipment and (c) on the erection of the oil storage and distribution facilities.

In congested areas like Bombay or even provincial towns it has been found that such extra expenditure is negligible compared with the value of the space released from the fuel yard which would be available for extensions of the particular mill or undertaking or for general building purposes.

5. On the above figures Furnace Oil is only attractive over a limited range at present as on a straight comparison the demand for oil will depend upon relative price and efficiency of oil as compared with coal.

The current price ratio of furnace oil to coal (rail borne only) for Saurashtra or South India is of the order of 3·0 to 1.

Such costs are a negligible part of the total capital cost of the entire plant of the undertaking.

6. In making all such comparisons a point that is of great importance to get the correct perspective of the overall economy is the incidence of fuel costs in the total costs of production. The figures given below are extracted from the "Report of the Seventh Census of Indian Manufacture"—1952 published by the Ministry of Commerce and Industry.

Table showing cost of fuel (coal & coke) expressed as percentage to the gross ex-factory value of products and by-products

Industry	Percentage cost of coal/coke to the gross ex-factory value:
Cotton Textiles ...	1·15
Jute Textiles ...	0·70
Iron and steel ...	11·25
Vegetable oil ...	0·49
Cement ...	14·32
Chemicals ...	3·13
Aluminium, copper & brass ...	1·27
General Engineering & Electric Engineering.	1·02
Paper and Paper board ...	6·21
Sugar ...	0·37
Glass and glassware ...	8·17
Ceramics ...	12·56
Rice milling ...	0·34
Total for 28 manufacturing industries ...	3·45

(7) On a coal/oil parity for the cotton textile industry of 2 to 1, (a normal figure) and a coal/oil price ratio of 3 to 1, incidence of fuel cost in the ex-factory value of product will be 1·73%. The figure for coal is 1·15 per cent

(8) The significance of the above is that even if the price ratio of coal and oil is in excess of the coal/oil parity because of the small incidence of fuel costs in the total costs of production, some industries find it worthwhile to go in for oil on account of certain overall advantage gained with oil; such as (a) greater production from a given plant (b) saving of coal storage space (c) longer intervals in shutdown of plant. etc.

(9) A similar comparison can be made for the Railways also. According to the Ministry of Railways publication "The Indian Railways" 1954-55 the working expense of Indian Government Railways were as follows:—

	Expense in lakhs/ rupees.
Administration ...	29·57
Repairs & maintenance ...	72·43
Operating staff ...	45·73
Operation (Fuel) ...	23·26
Operation other than staff & fuel ...	11·70
Miscellaneous expenses ...	17·38
Labour Welfare ...	4·24
Suspense ...	1·56
Total ...	205·87

Percentage of Operation (Fuel) to total working expenses–11·4%·

Assuming that 500,000 tons of fuel oil per year are used by the railways for new conversion to replace coal in areas far away from the colliery centres to relieve transport congestion and on the basis of railway figures for coal oil price ratios and allowing for coal/oil parity for oil firing locomotives of 1·8 to 1 (a practical figure for Indian coal) the percentage of "operation (Fuel)" to total working costs will be altered to 11·9%, a negligible increase compared with the benefits accruing.

IV. *Saving of Railway haulage:*—Oil which is freely available at and around main ports could be replacing coal, save the Railways haulage at a probable loss of appreciable quantities of coal from distant sources. The rail capacity so released could be turned over to other high rated commodities-starved of rail transport, benefitting railway revenue in the process.

The increase in revenue from the high rated traffic carried in place of coal can conceivably more than cover the additional cost of oil fuel to the Railways.

Besides every ton of oil used will return Rs. 15-0-0 to the Central Revenues in the form of excise.

An assessment of these benefits would require detailed investigation which would take considerable time and labour and would be worthwhile spending at the appropriate time but for the time being sufficient data is available in Government reports to make a sample assessment.

For the Southern Railway the saving indicated by oil supplies represents 1,005,508 ton miles per day, or 50,275 wagon miles per day.

The actual saving on account of coal haulage is greater because in the above calculation the coal/oil parity was taken as 1: 1.

The above is on the assumption that the fuel consumed by locomotives in the entire Southern Railway zone amounting to nearly 1·44 million tons in 1954/55 is converted to oil.

V. *Estimated production of Furnace Oil in 1957 in India:*—

		million tons.
Burmah-Shell Refinery, Bombay	abt.	0.725
Stanvac Refinery, Bombay	,,	0.478
Caltex Refinery, Visakapatnam	,,	0.092
A. O. C. Digboi	,,	0.048
Total	...	1.343

Estimated surplus of Furnace Oil in 1957 to requirements 0·142 million tons.

The surplus likely to be available in the Second Five Year Plan period will have to take into account any Furnace Oil derived from the Naharkatiya production of crude which it is now estimated will be of the order of 1.0 m. tons per year. The Furnace Oil production from this amount of crude should be in the region of 0.5 million tons per year.

VI. *Information on conversion from coal to oil:*—

(i) As far as the Railways are concerned they have already enough data on the time taken for conversion of locomotives, conversion costs, alterations to be made on existing locomotives and equipment required, operational data etc. The Southern Railway have been operating oil fired locomotive for the past 9 years or so although the present number is reduced to 18 from a total of some 35 which were in operation last year.

(ii) Conversion from coal to oil is not expensive nor does it take any inordinate time.

(iii) For locomotives, for the matter of that any plant, a unit designed originally for oil firing gives better performance and efficiency than one converted from coal to oil as will be seen from the following figures:

(a) Coal/oil parity from actual tests in the U.K. on goods locomotives which have been converted to burner oil (C.V. of coal 13000 B. Th. Us.lb.)	1·45 : 1
(b) Locomotives in America which have been specially built for oil firing. The coal/oil parity is based on coal of C.V. 10,000 to 12,000 B. Th. Us/lb.	Goods locomotives 1·82 : 1 Passenger locomotives 2.50 : 1.

(iv) The installation of storage tanks and distribution lines is straight forward and does not present any difficulty.

VII. Dieselisation of Railways: (i) On the question of dieselisation of railways, it may be stated that they are already proceeding with this according to a well chalked out programme under the Second Five Year Plan. Dieselisation for main lines shuttle and for shunting work has found favour not only for the reason that it is attractive for use on lines passing through regions where water for raising steam is difficult to find but also for other numerous advantages.

(ii) Current rates for High Speed Diesel Oil at main ports are given below:

Okha—Rs. 1-3-3 per gln. F.O.R. Installation which is equivalent to Rs. 323-10-3 per ton.

Bombay Rs. 1-3-3 ,, ,, Rs. 323-10-3 ,, ,,
Cochin Rs. 1-3-3 ,, ,, Rs. 323-10-3 ,, ,,
Madras Rs. 1-4-0 ,, ,, Rs. 336- 4-0 ,, ,,
Vizag Rs. 1-4-0 ,, ,, Rs. 336- 4-0 ,, ,,
Calcutta Rs. 1-4-0 ,, ,, Rs. 336- 4-0 ,, ,,

(iii) The coal/oil parity for railway diesel traction is as follows according to the U. K. Petroleum Industry Advisory Committee.

Main line Diesel locomotives — 5.0
Diesel shunting locomotives — 15.0

VIII. The following is a list of industries (apart from Railway) which would be most suitable for conversion to oil firing from the point of view of saving Railway haulage. These obviously should also be situated far away from the collieries and be comparatively close to ports.

(a) Textiles.

(b) Cement.

(c) Electricity thermal generating stations.

(d) Vegetable oils (f) Sugar.

(e) Chemicals (g) Glass.

Estimated Exports for 1956

Motor Spirit 1,50,000
Furnace Oil 2,60,000

Total 1955 Production:
B. S. R/S. V. R./Digboi:

M. S.	9,10,499
S. K.	4,60,514
H. S. D.	4,60,958
L. D. O.	2,56,191
F. O.	12,48,633

Economies of bulk versus *packed movements.*

(i) In the case of packed supplies of oil freight is incurred on oil as well as on the containers.

(ii) Loading/unloading expenses and transit leakage/damage are greater in respect of packed supplies.

(iii) Supplies in tins are also wasteful in the usage of steel. A ton of steel produces 904 four-gallon tins which makes only one trip and deliver 3,616 gallons of oil. A tankwagon on an average delivers 1,62,000 gallons of oil per year and is generally in service for over 40 years.

The Ahmedabad Millowners' Association,

Ahmedabad.

GENERAL

I am directed to refer to the discussion the Members of the Committee had with the representatives of this Association when they met the Enquiry Committee on 5th September 1956 for tendering oral evidence. During the discussion, the Committee requested for certain statistical information and data. I am, accordingly enclosing the following statement:—

Statement showing average deliveries of cloth for export and loom-state production from 1951-1955.

It was further discussed at the meeting as to how the railway freight structure could be modified in order to provide encouragement to the export trade of cotton piecegoods. The Members of the Committee had agreed to the suggestion offered by the Association representatives that some concession was necessary in the freight of cotton piecegoods meant for export. When the Chairman of the Committee explained that it was not possible to provide a special freight rate for C.P. bales meant for export, it was suggested that a system of rebate may be adopted for the purpose: the quantum of rebate to be determined in consultation with the Cotton Textiles Export Promotion Council which was the competent body to deal with the subject. In order, therefore, to enable the Enquiry Committee to have the benefit of the advice of the Export Promotion Council, we have addressed a communication to the Council on 17th September 1956 wherein we have acquainted them with the discussion referred to above and the viewpoint of your Committee on the subject of giving relief in freight for export trade of cotton piecegoods. For your information, I am enclosing herewith a copy of the said communication and I hope that the Enquiry Committee will take an opportunity to consult the Export Promotion Council before finalising their recommendations in the matter.

STATEMENT SHOWING AVERAGE DELIVERIES FOR EXPORT & LOOMSTATE PRODUCTION FROM 1951 to 1955.

(Figures in standard bales).

Year	Deliveries for Export			Loom-State Production			Remarks
	Ahmedabad	Bombay	All-India	Ahmedabad	Bombay	All-India	
1951	94,787	2,55,159	5,32,900	6,41,947	8,84,459	21,17,457	
1952	86,399	2,62,117	4,92,775	7,51,439	9,45,919	30,65,759	
1953	53,834	3,24,291	5,46,853	7,44,092	10,43,247	32,52,383	
1954	86,562	3,87,387	7,37,193	7,68,087	10,48,355	33,31,808	
1955	88,762	3,00,872	6,00,066	7,94,272	10,63,600	33,96,320	
Total:	4,10,344	15,29,826	26,09,787	36,99,837	49,85,580	1,57,63,727	
Average	82,068	3,05,965	5,81,957	7,39,967	9,97,116	31,52,745	*Percentage of export to loomstate production.
Percentage	14.10%	52,58%	100%	*11·09%	*30·69%	18·46%	

STATEMENT SHOWING DELIVERIES OF CLOTH FOR EPPORTS AND THEIR PERCENTAGE TO TOTAL EXPORT AND PRODUCTION.

(Figures in Standard Bales).

1951			1952			1953			1954			1955		
Ahmedabad	Bombay City	All-India	Ahmeda-bad	Bombay City	All-India	Ahmeda-bad	Bombay City	All-India	Ahmeda-bad	Bombay City	All-India	Ahmeda-bad	Bombay City	All-India
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
DELIVERIES FOR EXPORT.														
94,787	2,55,159	5,32,900	86,399	2,62,117	4,92,775	53,834	3,24,291	5,46,853	86,562	3,87,387	7,37,193	88,762	3,00,872	6,00,066
PERCENTAGE TO TOTAL EXPORT.														
17·8%	47·8%	100%	17·6%	53·1%	100%	9·84%	59·30%	100%	11·74%	52·55%	100%	14·79%	50·14%	100%
LOOMSTATE PRODUCTION.														
6,41,947	8,84,459	27,17,457	7,51,439	9,45,919	30,65,759	7,44 092	10,43,247	32,52,382	7,68,087	10,48,355	33,31,808	7,94,272	10,63,600	33,96,320
PERCENTAGE OF EXPORT TO LOOMSTATE PRODUCTION.														
14·8%	28·9%	19·7%	11·5%	27·8%	16·1%	7·23%	31·8%	16·81%	11·26%	36·95%	22·12%	11·17%	28·28%	17·66%

Copy of communication dated 17—9—56 from the Secretary Ahmedabad Mill Owners' Association to the Secretary, the Cotton Textiles Export Promotion Council, Bombay.

Sub: Export of Cotton piecegoods-Measures to assist.

I am directed by the Committee of this Association to submit the following for due consideration by the Cotton Textiles Export Promotion Council.

My Committee are glad to note that the export trade of cotton piecegoods has received great impetus as a result of the various measures adopted by the Export Promotion Council during its short career. The target of 1,000 million yards, of course, set before the country has however not been reached and the exports of the last year *viz.*, 1955 (815 m.y.) have shown some decline of 9% as compared to the previous year *i e* 1954 (898 m.y.) The Council must, no doubt, have considered measures to improve the position of exports and some major steps might have already been implemented. My Committee, however, wish to draw attention of the Council to one aspect of the problem which affects Ahmedabad and other inland centres of manufacture. Ahmedabad has a sufficient share in the total exports of the country and the industry of Ahmedabad is most anxious to see that they play an important part in the export trade of cotton piecegoods and maintain the same. With this end in view, this Association has always kept under consideration and has explored ways and means which would assist in the export trade. As already stated, Ahmedabad is an inland centre and the goods for export have to be transported to Bombay Port for overseas markets. This involves railway freight from Ahmedabad to Bombay which is charged at present at Rs. 1—10—10 (O.R.) and Rs. 1—12—11 (R.R.), per Bengali maund subject to an additional surcharge of one anna per rupee on the total freight. My Committee are of emphatic opinion that if some relief is granted in the freight charges for cotton piecegoods meant for exports, it will no doubt give considerable encouragement to the exports from this centre and also other inland centres like Kanpur.

In this connection, I am to state that recently, the Railway Freight Structure Enquiry Committee under the Chairmanship of Shri Ramaswamy Mudaliar visited Ahmedabad during their tour programme for collecting oral evidence. The representatives of this Association met this Committee and in course of the discussion, it was pointed out that the freight structure should be so modified as particularly to assist in the promotion of export trade of cotton piecegoods. The Railway Freight Structure Enquiry Committee appeared to agree to this view of the representatives of this Association and invited suggestions for this purpose. It was, therefore, suggested at the time of discussion that in case it was not possible for the Railways to provide a special rate of freight in case of cotton piecegoods meant for export, a system of rebate, say, to the extent of 25% of the total freight, should be introduced and the rebate should be made payable only on production of proof or evidence that the goods in question have been shipped from the country. The representatives of the Association further suggested that the Cotton Textiles Export Promotion Council was the proper body to deal with this subject and the Freight Structure Enquiry Committee as well as the Ministry of Railways or the Railway Board should decide the policy in consulation with the Export Promotion Council. It is understood that the Railway Freight Structure Enquiry Committee will submit their report to the Government of India probably within a short time. My Committee therefore, suggest that the Export Promotion Council should consider the matter and bring their suggestions and recommendations for providing a system of special freight for C.P. goods meant for export to the notice of the Railway Freight Structure Enquiry Committee before they finalise their findings.

My Committee trust the Export Promotion Council will give prompt consideration to the subject and take necessary action at an early date.

DELHI

The All India Food Preservers' Association,

New Delhi.

GENERAL

Railway Freight Tariff for Fruit and vegetables.

Since we submitted to you our *Memorandum* on the subject on February 16, 1956, your Committee has held hearings in Kanpur and Bombay at which our case was considered by you.

We therefore again summarise the needs of the Industry, trusting they will receive the Committee's favourable consideration.

It may be stated that the following suggestions are based on the minimum needs of the Industry from a developmental point of view. The submission of the Industry in brief is that:—

(a) All indigenous preserved fruit and vegetables should be placed in Class IV of the Railway Freight Tariff.

(b) The open top cans for this industry should also be placed in the same class *e. g.* Class IV.

(c) Rates applicable for transport of fresh fruit, viz. ½ parcal rate, should be made applicable to transport of vegetables also.

(d) semi-processed fruit and vegetables supplied to factories for processing and packing should be placed in Class IV.

(e) Adequate facilities for quick transport of raw materials should be provided in fast passenger and mail trains.

(f) Ventilated vans, painted white outside, should be provided for carrying fruits and vegetables.

(g) Better handling should be assured at loading and unloading centres and more particularly at transhipment stations.

(h) Seasonal booking facilities for raw materials as well as for finished products. These seasons are generally from March to June, and October to December each year.

(i) Finished goods, *having seasonal demand*, should be charged goods tariff by passenger trains

(j) Finally, paperboard cases of approved quality should be accepted for transport, as is done by Railways in America and Europe and packing standards for wooden and paperboard cases should be clearly defined, specially *for transport at railway risk*.

Explanatory Notes.

The concessions of lower freight will not benefit the processing industry alone. The increased horticultural production envisaged in the Second Five Year Plan can be saved from going to waste only by developing the preservation industry.

Development of preservation industry will thus effectively assist in the development of the fruit and vegetable growing areas.

Cheaper Railway transport will encourage and assist in the development of an export trade. There is considerable market for many a product of the industry, which is not developing due to our high cost. Imports if thus facilitated will earn much needed foreign exchange.

In the case of the soap industry, for instance, the rate applicable for raw materials like oil is same as that for soap itself. On this analogy the preservation industry too can be given the same facility.

Another case in point is the low freight allowed to the Aerated water manufacturers. Why can the preserved foods not be placed on the same basis ?

Various concessions are granted to the Australian preservation industry by the Australian Railways. In many cases, the rates are fixed by mutual agreement between the carrier and the industry. This has been specifically permitted to facilitate the development of the industry.

The incidence of freight cost as compared with the value of the merchandise transported is comparatively high, varying from 6.2 per cent to as high as 18 per cent. This is definitely more than the products can bear. Lowering of freight therefore has a definite bearing on the selling price, and therefore on the sales of the products in the home as well as overseas markets.

The attainment of the targets of production and more particularly of the targets of export, will largely depend on the cost of transport of raw materials from the growing centres to the processing plants, and the transport of finished goods from the factories to the consumer centres, and to the ports for export.

In view of the foregoing remarks it is submitted that the Committee may favourably consider the above enumerated suggestions and give this industry, of vital importance the urgently needed relief.

MADRAS

The Madras Chillies Merchants' Association, Madras.

GENERAL

(i) In the case of 'Smalls' abnormal delays are caused in the goods sheds to despatch them. Railway Receipts are being issued for 'Smalls' and they are being kept without loading on the very day of the issue of the receipts and loaded at convenient days and thus allowing the goods to be damaged and pilferaged. Sometimes parcels will be kept on the Platforms and damages and pilferages are common due to theft etc. Due to the less amount of care bestowed on these 'smalls' Railways are losing large amounts by way of claims paid to the parties.

In the light of the above facts and in order to check the drawbacks stated above, we suggest that the 'Smalls' may be treated on a par with wagon loads in respect of priority to despatch and levy of freight charges.

(ii) Garlics are being received from distant places like Jamnagar (Saurashtra), Calcutta, Poona etc. Abnormal delays are caused during transit. The commodity is an easily perishable article. So, we request you to identify on the wagon by inscribing the words 'Garlic' or 'Perishable Goods' so that the commodity may reach the destination without delay.

(iii) Uniform rate of freight from producing centres to Madras and to all destinations in

the South is very unfair both from the point of view of the Railway concerns and also the merchants. Madras is less distant and as such lesser freight can be charged which would stand to advantage to Madras merchants for business. On the part of Railway authorities if freight is charged according to distances it will be to their advantage. Hitherto business had to pass through Madras.

(iv) Demurrage rates are Anna 1/- 1st day, As. 1½. for 2 days, As. 2. for the next two days. From 6th day onwards As. 4, per maund. It is suggested that Anna 1/- may be charged for 3 days and 1½ as. for the next 2 days and as. 3 from 6th day. This would immensely help the merchants.

(v) Freight charges should be reduced to meet the lorry competition.

MYSORE

The Mysore Iron & Steel Works,

Bhadravati.

GENERAL

The development and prosperity of the Industries located in the South, depending upon the supply of coal and coke from long distance from the North is handicapped due to the heavy freight charges to be paid for the transport of coal and coke. The development of Iron and Steel Industry depending upon coal and coke to a predominent extent is particularly hampered due to high cost of these materials. The Mysore Iron and Steel Works, being an industry engaged in the manufacture of Iron and Steel and Cement, Ferro-Alloys and other foundry products requiring large quantities of coal and coke, is at a great disadvantage when compared to the sister factories situated near the coal fields. The most important factor affecting the cost of production is the fuel element. The total receipts of coal including slack-coal, coke, and coke breeze during the year 1955-56 amounted to 85,439 tons. A second Electric Pig Iron Furnace has come into regular operation from this year and a Cast Iron Spun Pipe Plant is programmed to be put into operation from next year. There will be an additional requirement of about 20,000 tons of coke for these two new plants.

In view of the large quantities of coal and coke required by us, we are interested in the revision of freight structure on coal and coke, and submit the following proposals for the kind consideration of the Committee.

We entirely support the idea of a freight pool for coal and coke as suggested in question No. 23, Part I-A. The details of the freight pool arrangement are not known, whether the freight to be borne under this scheme would be uniform to all consumers using a certain minimum tonnage or whether differential rates are to be charged are not known. Till a few days back Steel and Iron used to cost differently to different consumers. The consumers at the port towns and in Bihar used to have steel at the normal price fixed and the people in the interior used to bear additional charges called "Place Extras" equivalent to the freight from the nearest port. Now a uniform freight is charged F.O.R. Railway Stations. Whether the freight pool arrangement would be of this kind is not known.

2. The distance between our works and the coal fields is in the order of about 1,400 to 1,500 miles and the maximum rate is now being applied. The application of this high payment of rate has increased the cost of coal and coke as noted below:—

	F.O.R. Colliery rate per ton.	Freight charges per ton.	Middlemen Commission per ton.	Approximate F.O.R. Bhadravati rate per ton.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1. Bengal/Bihar steam/Gas Coal all rail route.	16 10 0	25 7 0	0 8 0	42 9 0
2 Bengal—Bihar slack coal all rail route.	15 9 0	25 7 0	0 8 0	41 8 0
3. C.P. Slack coal all rail route (Pench).	14 11 0	18 8 0	0 8 0	33 11 0
4. Steam and gas coal by sea-cum-rail route via Madras Harbour.	70 14 0 (f.o.r. Madras)	13 5 0	...	83 9 0
5. B P. Hard Coke No. 1 all rail route.	35 7 0	25 7 0	0 10 0	61 8 0
6. Coke Breeze.	6 0 0	25 7 0	0 6 0	31 13 0

It may be seen from the above statement that the freight charges form a very large per cent of the cost of the material. In order that the industries in the South and our Works are not put to a disadvantage it is suggested that the maximum freight might be fixed at the rate now prescribed for 800 miles. The loss that the Railways might suffer due to this change in Railway freight structure may be met by revising suitably the short distance Tariff rates. If this is not possible, it will only mean that there will be a small reduction in the net surplus to be transferred to General Revenues which would be more than compensated by the development of basic and subsidiary industries in the larger interests of the country.

Now as the Retention prices are fixed for Iron and Steel, and the prices of other products are fixed on examination of cost which includes the high cost of fuel and the difference between the selling price and Retention price is made good by the Equalisation Fund, the above arrangement will only mean that instead of paying from the Equalisation Fund it is met from the General Revenues. Thus the loss is only apparent and not real. Therefore, this will not only help our works but also the other large scale users of coal and coke in the South.

3. As a result of the long distance over which coal and coke have to move and the transhipment enroute, losses due to pilferage and handling are observed to an extent of about 10% and above. Here we lose both the material and the freight on it. Although as per existing rules coal booked at owners risk is not to be reweighed, we request that coal moving over long distances and undergoing transhipment enroute may be allowed to be weighed at the weigh bridges of the consumers and losses exceeding 5% may be allowed to be recouped by amending the rule in Goods Tariff.

4. Due to want of transport facilities by the Railways, the coal requirements of works are obtained by sea-cum-rail route involving abnormally heavy freight charges. While the F. O. R. colliery rate per ton is Rs. 16-10-0, the F. O. R. Madras rate for coal is Rs. 70-4-0 and a further freight charge of Rs. 13-5-0 is incurred from Madras to Bhadravathi totalling Rs. 83-9-0 per ton, excluding losses and other charges. The rate per ton if coal was received by all rail route would have been Rs. 42-6-0. Now the rate applicable to a distance of 381 to 390 miles is being paid as freight charges from Madras. Until the transport facilities by Railway are increased and an all-rail-route movement is allowed, it is requested that a special rate of about Rs. 6/- per ton may be fixed between Madras and Bhadravathi in proportion to the maximum rate applicable for 1,500 miles.

5. Under the existing classification, pig iron and scrap are grouped under one classification. The selling rate of pig iron and scrap are Rs. 225/- and Rs 70/- respectively. The value of scrap as compared to pig iron is also less in view of the impurities mixed with it. We are using about 20,000 tons of scrap and when the Steel Expansion Scheme sanctioned under the Second Five Year Plan to increase the steel making capacity from 30,000 tons to 1,00,000 tons per year is implemented, the need will be greater for scrap both Cast Iron and Steel. We suggest that a lower rate may be fixed in respect of scrap.

6. Industries connected by the metre gauge sections of the Railway, importing materials from broad gauge sections are now paying transhipment charges. This is an additional charge borne by the industries in the South as compared to factories in the Northern Zones. In order to have a uniform treatment it is suggested that the payment of transhipment charges be abolished.

7. As our Works is situated in the Birur-Talaguppa Branch line and as some of our raw-materials such as charcoal, fuel, manganese ore., dolomite etc., are received from Sagar and downward, the levy of short distance charges is acting as a hardship and we suggest that the short distance may be waived or the distance reduced.

C. I. Pipes are now being charged at Railway Risk rates. As they are sent in open wagons and as the packing conditions cannot be fully complied with only owner risk remarks are madein the Railway Receipt though Railway Risk rates are paid. It is not possible to load or unload pipes into and from covered wagons. They have necessarily to be loaded in open type wagon. As there are practically no breakages, a lower owners risk rate may be adopted.

A lower minimum weight may be fixed for bigger sized C. I. Pipes as the number of pipes to be loaded into wagons will be small and the minimum weight conditions are not attained.

8. Ferrosilicon is now classified as dangerous goods and booked at 9th class rate freight prepaid. In our experience Ferrosilicon is neither a cumbustible nor an explosive material. We request that this material may be reclassified in the same class as Ferro-manganese.

9. Charcoal cannot be loaded into the wagons to the full carrying capacity as the space is insufficient to hold the material to that extent. Thus the freight paid works out very high per ton. Therefore, it is suggested that the minimum weight conditions for charcoal may be reduced.

WEST BENGAL

Bengal Glass Manufacturers Association,

Calcutta.

GENERAL

I am directed to invite a reference to the oral evidence tendered by the representatives of the Association on the 25th June in course of which the Association was requested to furnish a detailed breakdown of cost of raw materials under different heads showing incidence of railway freight on the cost of production in the Glass Industry. The table reproduced in Annexure 'A' attached to this representation indicates in broad outline the cost of production of glass under important heads and the incidence of railway freight on the cost of production.

It may please be noted that for the sake of convenience the costing has been done on the basis of one ton of finished glass of ordinary composition.

From the table it would be evident that of the total cost of raw materials per ton of glass calculated at Rs. 183/7/-, the railway freight liability is Rs 21/1/-. That is, railway freight amounts to a little over 11.4 per cent. of the cost of raw materials. But taking the overall picture of cost under different items the percentage of incidence of railway freight to total cost of production minus freight is much higher. Thus, as aginst the total cost on all items excluding railway freight estimated at Rs. 464/9/- per ton of finished glass, the total railway freight payable is calculatad at Rs. 155/3/- *i. e.* 33·4 per cent. of the cost on account of raw materials, fuel, refractories, wages, road transport and overhead charges including depreciation. But when account is taken of the total cost of production inclusive of railway freight, the position is somewhat altered. Thus, of the total cost of Rs. 619/12/- per ton of glass moved to a distance of about 1,000 miles, the amount of railway freight comes to Rs. 155/3/-. That is, the incidence of railway freight on total cost of production is about 25 per cent.

In this context, the following few facts deserve special consideration :—

(i) The raw materials as well as fuels consumed by the glass industry have usually to traverse long distance before finding their way into the glass factory.

(ii) Although the glass industry of the country has been mainly centralised in the States of West Bengal, Bombay and U.P., a significant percentage of the total output has to move pretty long distance to find market.

(iii) The raw materials as well as the finished products of the industry have a very low freight bearing capacity in view of their cheapness relatively to bulk.

(iv) The brittleness of glass goods imposes special packing conditions whereby the proportion of the weight of finished glass to the total weight of the package becomes rather very low. This point has been specially illustrated in the original memorandum of the Association already submitted to you in reply to Q : 44. of Part I-A of the questionnaire. Although the packing conditions somewhat differ as amongst different items, it has been the experience of the industry that the weight of packing materials per ton of finished products packed comes on the average to no less than 8 maunds. In other words the industry has got to pay additional freight for 8 maunds per ton of glass transported by rail. What is more, the packing materials are usually no less bulky than the goods packed so that glass manufacturers are all the more seriously obsessed with the problem of finding wagon facilities particularly in these days of wagon shortage and booking restrictions. In short, the weight of packing materials has the effect of enhancing the net burden of the railway freight, which is already heavy, on the industry.

Passing then to the question of specific cases of freight revision, the Committee of the Association would submit as follows :—

(a) The Committee do appreciate the difficulties of the Enquiry Committee in suggesting freight revision for items of raw materials of the glass industry which are consumed in common by other industries. For instance, the movement of lime and limestone may be cited as cases in point. The Committee do not like to embarass the Enquiry Committee by insisting on freight revision on lime or limestone which is already pretty high, if provision for any concessional freight in favour of the glass industry amounts to undue discrimination against similar consumers.

(b) In case of raw materials which are almost exclusively consumed by the glass industry, the Enquiry Committee should have no special difficulty in suggesting downward revision in freight rate in view of the heavy incidence of freight. Thus, silica sand is an item of which the glass industry is by far the biggest consumer. Not only is this raw material consumed in very great bulk by the glass industry of the country but there is also no other important consumer within the knowledge of the Association who might be adversely affected by special rate quoted in favour of the glass industry. The Committee of the Association would, therefore, suggest that the freight rate on sand should be brought down to Re.-/6/- per maund as between Shankergarh and Howrah, for an item the price of which constitutes about 17 per cent of the total cost of raw materials. The reduction in freight as suggested would assist the industry in bringing down the cost of production and thereby popularise progressive consumption of glass goods.

Reverting then to the question of freight rate on the movement of glass goods, the Committee of the Association would reiterate their request for a lower class rate in view of the cheapness of glass goods relatively to bulk and the consequential inability to bear the burden of enhanced freight without involving substantial loss in almost all the deals This point has been duly illustrated in the original memorandum of the Association already submitted to you in reply to question No. 44 (a & b) of Part 1-A of the Questionnaire. From the table it would be evident how in most of the cases the FOR destination station rates are lower than FOR forwarding station rates plus freight and packing charges. This is highly ominous for the glass industry of the country. The effort at decentralisation of manufacturing activities in view of the heavy incidence of railway freight has not so far been crowned with success. This would be evident from the present marooned and moribund condition of the glass factories located in certain States. It should, therefore, be the responsibility of the Freight Structure Enquiry Committee to see that the existing freight rate policy did not give any uneconomic twist to the location of industrial establishments within the country.

I would state hereunder the locational benefits enjoyed by the Glass Industry of this State :—

(i) Supply of labour.

(ii) Nearness to the sources of supply of coal.

(iii) Proximity to the organised trading centre for glass goods.

The advantages referred to above need a little bit of clarification. Although the glass factories of the State have the privilege arising out of the availability of workers, most of them hail from areas outside West Bengal. It is almost by virtue of the higher rates of remuneration prevalent in the industry of the State that they are mostly drawn Again, the benefit accruing to the industry from its nearness to coal mines has now been neutralised to a very great extent by the inadequacy of railway movement facilities and the necessity of supplementing deficiency in supplies through road movement at any time of the same at prohibitive cost. If under the Plan the railway movement position at any time improves, the glass industry shall undoubtedly stand to benefit. Finally, the industry of the State manufactures a wide range and variety of items in competitive quality. Consumers as well as merchants in glass and glassware have, therefore, a tendency to contact the Calcutta market for their requirements and procure their supplies, other things remaining the same. But the inadequacy of movement facilities and the high freight rates have been seriously interfering with proper development of this trading centre to affect the loss sustained by the State in the wake of partition of Bengal and virtual trade deadlock with East Bengal which had been the biggest single market for the glass products of the industry of this State.

It would not be out of place to mention here that certain locational advantages of significance are also enjoyed by the glass factories centralised in the U. P. and Bombay. Thus, in U. P. raw materials like sand, lime, limestone etc., are pretty near, sources of coal are not too far off. Labour is available at relatively low rates. In Bombay, the market is pretty wide and organised. Though coal is somewhat costly, oil is relatively cheap. The volume of local off-take is also quite sizeable in view of the location of a large number of consuming units within the State. Supply of labour is satisfactory although the rates of remuneration are somewhat higher than those of U. P.

In short, West Bengal, Bombay and U. P. should receive special consideration in any scheme of future development of the Indian Glass Industry because of these locational advantages.

This will explain the contention of the Association.

ANNEXURE "A".

BREAK-DOWN OF COST PER TON OF FINISHED GLASS.

Items.	Quantity required per ton of glass of average composition.	Rate.	Total cost excluding Railway Freight.	Railway Freight.	Total Railway Freight.	Total cost inclusive of Railway Freight.
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Sand	22 maunds	0 9 0 per maund	0 12 6	0 13 6 per maund	18 9 0	30 15 0
Lime	2½ maunds	2 0 0 ,,	5 0 0	1 0 0 ,,	2 8 0	7 8 0
Soda Ash	6 cwts.	18 8 0 ,,	111 0 0	—	—	111 0 0
Sodium Nitrate	23 seers	20 0 0 per cwt.	10 0 0	—	—	10 0 0
Borax	14 seers	32 0 0 ,,	8 0 0	—	—	8 0 0
Arsenic	2 seers	0 8 0 per seer	1 0 0	—	—	1 0 0
Selenium	1 oz.	15 0 0 per oz.	15 0 0	—	—	15 0 0
Total cost of raw materials		per ton of glass ...		... ...		183 7 0
Fuel (i.e. Coal)	2 tons	16 0 0 per ton	32 0 0	8 0 0 per ton	16 0 0	48 0 0
Refractories			25 0 0			25 0 0
Wages			125 0 0			125 0 0
Road transport charges*			20 0 0			20 0 0
Overheads including depreciation at 15% cost of production†			60 3 0			60 3 0
Packing charge			40 0 0			40 0 0
Railway Freight on finished goods including weight of packing materials at 35 maunds per ton of finished glass for an average distance of 1,000 miles at		Rs. 3 6 0 per maund			118 2 0	118 2 0
		Grand Total ...	464 9 0		155 3 0	619 12 0

* On movement of raw materials, fuels and finished goods from railway sidings to factory and from factory to railway sidings or the market.

† Inclusive of cost of raw materials, fuels, refractories and labour.

Bengal Oil Mills Association,

Calcutta.

GENERAL.

Please find below our observations on the 3 points mentioned by you:—

1 ***Effect on Bengal Oil Mills Industry of Excise Duty.***—In fact the effect of Excise Duty on the oil mills of West Bengal is the same as it is on the mills of other States. The Duty imposed with effect from 1st March, 1956 is a Central Duty and is payable by manufacturers of Vegetable oils of all the States in an uniform rate.

2. ***Imports and Exports of Various kinds of Oil Cakes.***—We presume a reference has been made regarding the Imports & Exports of mustard oil cakes as between West Bengal and Uttar Pradesh. Assuming this we have to inform you that the statistics available with us amply prove that during 1951-5 5 West Bengal has been exporting more oil cakes to other States than she has been importing the item from U. P. The Import-Export figures are stated below:

Year.	Export from U. P. to West Bengal.	Year.	Export from West Bengal to other States.
1950—51	1,23,737 Mds.	1950—51	7,65,875 Mds.
1951—52	2,25,601 ,,	1951—52	6,32,604 ,,
1952—53	1,09,556 ,,	1952—53	6,38,772 ,,
1954—55	2,06,951 ,,	1954—55	3,04,504 ,,

It is apparent that imports of oil cakes into Calcutta area has recorded a marked decrease year by year whereas export from Calcutta area are on steady increase. It is also found that export of cakes from Calcutta have been consigned to Bihar, Orissa, Assam, Punjab, C. P. and also to U. P. in small quantities. It is however to be noted that the aforementioned figures pertain to "Other Oil Cakes" except Castor.

It is not possible to find out the exact figures for mustard cakes alone but it can be estimated that Calcutta being a port town most of the imports into this city from U P. might very well comprise more of linseed, groundnut and other cakes rather than mustard cakes export of which to Overseas Countries is banned. But export from Calcutta to other provinces should naturally relate to more of mustard cakes, as importing States utilise the imports for manure and cattle food and not for exports. Taking this point into consideration it is possibly correct to say that West Bengal has been exporting much more mustard cakes to other States than she has been importing the item from U. P.

3. The adverse effect of the introduction of the new freight policy in 1948 will be clear from the numerical strength of our membership as shown below:—

Year		Our Membership
1947—48	...	196
1948—49	...	179
1949—50	...	180
1950—51	...	181
1951—52	...	182
1952—53	...	167
1953—54	...	180
1954—55	...	176
1955—56	...	160

In 1947—48 the strength of our membership was 196. It fell to 179 the very next year. Obviously this was due to the direct result of the freight policy adopted by the Railway authority in 1948 discriminating between the seeds and oil imported from U. P. But for the fact that a general closing down of industrial units is never a feature of a trade crisis the numerical strength of our membership would have gone down much more than what has been recorded above. The process of disintegration of an industry is a gradual one and the after effects are spread over a long period. This is evident from the fact that our membership fell from 196 in 1947—48 to 167 in 1952—53. It took 5 years for the effect of the crisis to be manifested so clearly. The sudden rise in our membership from 167 to 180 during 1953—1954 is ascribable to the fact that a large amount of refugee loans granted to refugee businessmen during this period was diverted to this Industry, just because comparatively smaller investment offered scopes for business to the displaced persons. The evil effect of this erratic growth of oil mills however was again found from our membership strength having gone down from 176 in 1954—55 to 160 in 1955—56. It is quite likely that if the present freight structure is maintained with the existing disparity many more mills will close down in the coming years.

We trust we have been able to present the case of the mustard oil mills of West Bengal to the Enquiry Committee and hope that the existing discriminatory policy will end soon.

Indian Chemical Manufacturers Association,

Calcutta.

GENERAL

I am sending herewith a few statements showing the details of the traffic in the main products of our member manufacturers and the distance over which they move, some what on the lines of annexure 5 of your Questionnaire.

Secondly, to give you a rough idea of the relativity of price figures of chemicals for 1939, 1946, and 1956, I am also sending herewith as enclosures the figures for some chemical items. It may please be noted that all these figures for traffic and prices are prepared from the data that we could get within so short a period from our member manufacturers.

Lastly, it may be pointed out that whole of the indigenous production of chlorine is made as a by-product of electrolytic caustic soda plants in operation. At present the potential capacity for the production of chlorine gas is of the order of 30,475 tons. This production is made as a by-product of the 8 electrolytic caustic soda plants which have an annual capacity of production of 37,700 tons of caustic soda. Of these plants, two each are situated in West Bengal and Bombay, and one each in Bihar, Delhi, Madras, and Kerala. The estimated annual capacity of production of electrolytic caustic soda for the 10 newly licensed schemes is 85,124 tons. Of these new plants, four will be situated in Bombey, three in Madras, and one each in Orissa, Bihar and Delhi. Thus, the production of chlorine as a by-product from these new plants will also be proportionate to the production figures of caustic soda. The estimated production figures of chlorine for all the new and existing electrolytic caustic soda plants in operation will be 95,500 tons when the total annual capacity of production of electrolytic caustic soda will be 1,22,824 tons.

SOME CHEMICAL ITEMS.
AVERAGE, LONGEST AND SHORTEST DISTANCE FOR HAUL.

Raw Materials.

Item.	Average Miles.	Shortest Miles.	Longest Miles.
(1)	(2)	(3)	(4)
1. COAL			
M/s. Dhrangadhra Chemical Works Ltd.,	1,323·83	1,227	1,406
2. COKE			
M/s. Dhrangadhra Chemical Works Ltd.,	1,369	1,232	1,406
M/s. Birla Jute Manufacturing Co. Ltd. (Calcium Carbide Department)	228	228	228
3. LIMESTONE			
M/s. Dhrangadhra Chemical Works Ltd.	199.5	178	213
M/s. Birla Jute Manufacturing Co., Ltd.	942	624	1,261
4. SALT			
M/s. Dhrangadhra Chemical Works Ltd.	17	14	20
M/s. D·C·M. Chemical Works.	190	190	190
5. SODA ASH			
M/s. Dhrangadhra Chemical Works Ltd.	1,086.91	95	1,937
M/s. Cawnpore Chemical Works Ltd.	above 600	—	—
6. GYPSUM			
M/s. Fertilisers & Chemicals Travancore Ltd.	350	350	350
7. CHARCOAL			
M/s. Birla Jute Manufacturing Co., Ltd. (Calcium Carbide Department)	385	290	480
8. SULPHUR			
M/s. D.C.M. Chemical Works.	890	883	897
M/s. Cawnpore Chemical Works Ltd.]	above 600	—	—
9. ROCKPHOSPHATE			
M/s. D.C.M. Chemical Works.	890	883	897
10. BAUXITE			
M/s. D.C.M. Chemical Works.	646	533	759
M/s. Cawnpore Chemical Works Ltd.	265	265	265

SOME CHEMICALS—(concld.)

Raw Materials.

Item.	Average Miles.	Shortest Miles	Longest Miles.
(1)	(2)	(3)	(4)
11. SODA SULPHATE			
M/s. Cawnpore Chemical Works Ltd.	525	525	525
12. CHROME ORE			
M/s. Cawnpore Chemical Works Ltd.	above 600	—	—
13. SODA NITRATE			
M/s. Cawnpore Chemical Works Ltd.	above 600	—	—
14. MAGNESITE			
M/s. Cawnpore Chemical Works Ltd.	above 600	—	—
Products :—			
15. AMMONIUM SULPHATE			
M/s. Dhrangadhra Chemical Works Ltd.	409	409	409
M/s. Fertilisers & Chemicals, Travancore Ltd.	200	N.A.	425
16. SODIUM SULPHIDE			
M/s. Dhrangadhra Chemical Works Ltd.	534	409	756
M/s. Cawnpore Chemical Works Ltd.	750	600	1,300
17. SULPHURIC ACID			
M/s. Cawnpore Chemical Works Ltd.	300	300	300
M/s. Fertilizers & Chemicals, Travancore Ltd.	nil	nil	nil
M/s. D. C. M. Chemical Works.	466	273	679
18. ALUMINA SULPHATE			
M/s. Cawnpore Chemical Works Ltd.	450	300	600
19. BICHROMATES			
M/s. Cawnpore Chemical Works Ltd.	above 600	—	—
20. SUPERPHOSPHATE			
M/s. Fertilizers & Chemicals, Travancore Ltd.	300	N.A.	650
M/s. D. C. M. Chemical Works.	660	545	741
21. CALCIUM CARBIDE			
M/s. Birla Jute Manufacturing Co. Ltd. (Calcium Carbide Department)	922	624	1,221
22. CAUSTIC SODA LIQUID (In Tank Wagons)			
M/s. D. C. M. Chemical Works.	174	115	273
23. CAUSTIC SODA SOLID			
M/s. D. C. M. Chemical Works.	733	655	883
24. LIQUID CHLORINE FILLED			
M/s. D. C. M. Chemical Works.	650	90	910
25. ALUM			
M/s. D. C. M. Chemical Works.	484	176	897

QUANTITY MOVED OF SOME CHEMICAL PRODUCTS WITHIN AND BEYOND THREE HUNDRED MILES.

Products.		Within 300 miles (Tons.)	Beyond 300 miles (Tons.)	
(1)		(2)	(3)	
1. Ammonium Sulphate	...	36,000	4,000	
2. Superphosphate	...	8,300	1,800	
3. Ammonium Chloride	...	—	1,000	(Balance by Steamer.)
4. Magnesium Chloride	...	500	2,000	
5. Calcium Chloride	...	500	2,000	

STATEMENTS OF TATA CHEMICALS LIMITED.

1. Quantum of Traffic moved within 300 miles and beyond 300-miles—1955/56 (In Net Tons).

	By Rail		By Sea	Total	
	Within 300 Miles Tons	Beyond 300 Miles Tons	Beyond 300 Miles Tons	Beyond 300 Miles Tons	Traffic Moved Tons
	(1)	(2)	(3)	(4)	(5)
Soda Ash	562	17,532	21,847	39,379	39,941
Caustic Soda	26	1,390	3,257	4,647	4,673
Sodium Bicarbonate	8	832	2,178	3,010	3,018
Magnesium chloride	178	607	1,197	1,804	1,982
Zinc Chloride	10	162	585	747	757
Hydrochloric Acid	29	115	182	297	326
Benzene Hexachloride	—	9	207	216	216
Liquid Chlorine	15	123	66	189	204
Bleaching Powder	2	12	177	189	191
Bromides	—	--	152	152	152
Fusite	—	5	98	103	103
Potassium Chloride	—	—	96	96	96
Salt	117	372	127	499	616

2. Their ex-works sales price in 1948 and 1956 are as under :

		(Ex-Works Prices)	
		1948	*1956*
1.	Soda Ash	Rs. 20 to Rs. 30 per cwt.	Rs. 19 per cwt
2.	Caustic Soda	Rs. 40 to Rs. 50 per cwt.	Rs. 34/8/- ,,
3.	Sodium Bicarbonate	Not in production.	Rs. 26/- ,,
4.	Magnesium Chloride	Rs. 8 per cwt.	Rs. 6/8/- ,,
5.	Hydrochloric Acid	As. 3/- per lb.	As. 1/6 per lb.
6.	Benzene Hexachloride	Not in production.	Rs. 75/- per cwt
7.	Liquid Chlorine	As. 6/- per lb.	As. 3/3 per lb.
8.	Bromides	—	Rs. 3/1/- per lb. (ex. Bombay) (wholesale)
9.	Fusite	Not in production	Rs. 40/- per cwt.
10.	Potassium Chloride	Rs. 10/- per unit of K20	Rs. 6/- per unit of K20.
11.	Salt-Kurkutch	Rs. 30/- to Rs. 40/- per ton.	Rs. 20/- to Rs. 25/- per ton.
12.	Salt-Vacum	Not in production.	Rs. 30/- per ton.

Situation of Factory S. India (Mysore).

1. Actual quantum of trafffic moving :— Acetic Acid and wood Tar beyond 300 miles only.

2. Volume of traffic annually is Acetic Acid 250 tons—100 M.G. wagons and wood Tar 300 tons—40 M.G. wagons.

3. Manufacturers Price in 1948:— Acetic Acid was not being sold

Tar Rs. 316-9-0 per ton.

4. Manufacturers Price in 1956:— Acetic Acid Re. 0-10-0 per lb. Tar Rs. 325 per ton.

.....

PRESENT AND 1948 PRICES OF CERTAIN CHEMICAL ITEMS

PRICES (Ex. FACTORY)

	(A) 1948			(B) 1955		
	Rs.	a.	p.	Rs.	a.	p.
Ammonium Sulphate ...	360	0	0	353	0	0
Superphosphate ...	230	0	0	180	0	0
Ammonium Chloride ...	...			650	0	0

Market Prices

	1948			1955		
Ammonium Sulphate ...	340	0	0	353	0	0
Superphosphate ...	235	0	0	200	0	0
Ammonium Chloride ...	...			750	0	0

	Average price			Average Rai freight		
	Rs.	a.	p.	Rs.	a.	p.
(a) Limestone ...	16	8	0	25	8	0
(b) Hard Coke ...	38	0	0	10	14	0
(c) Charcoal ...	125	0	0	20	0	0

The average price of the finished products (calcium carbide) at the manufacturing point is about Rs. 800 per ton.

COMPARATIVE PRICE FIGURES FOR SOME PHARMACEUTICAL ITEMS.

INJECTABLES

Adrenaline Chloride

	1946 Rs. a. p.	1956 Rs. a. p.
Box of 12 amp. ...	1 12 0	1 10 3
Box of 100 amp. ...	12 10 6	10 8 0
Box of 12 amp. ...	2 7 6	2 4 9
Box of 100 amp. ...	17 9 3	13 2 0

Atrophine Sulph

1/100 gr. 1/200 grm. or 1/60 gr. 1 c.c.		
Box of 12 amp. ...	1 12 0	1 10 3
Box of 100 amp. ...	10 14 6	9 3 0

Calcium Gluconate

10% 5 c.c. x 100 amp. ...	16 2 9	9 3 0
10% 10 c.c. x 100 amp. ...	23 9 0	11 13 0

Emetine Hydrochloride

½ gr. x 6 amp. ...	2 13 0	2 10 0
x 12 amp. ...	5 7 3	4 14 9
1 gr. x 6 amp. ...	4 14 9	4 14 9
x 12 amp. ...	9 8 0	9 3 0

Ephedrine Hydrochloride

½ gr. x 12 amp. ...	2 1 9	1 15 6
x 100 amp. ...	13 5 9	11 13 0

Glucose Solution

12½% Sol. 10 c.c. x 100 amp.	14 1 0	8 8 6
12½% 25 c.c. x 100 amp. ...	21 1 6	16 6 6
25% Sol. 10 c.c. x 100 amp.	21 1 6	14 12 6
25% Sol. 25 c.c. x 100 amp.	28 2 0	17 1 0
50% 25 c.c. x 12 amp. ...	6 5 3	4 9 6

Pituituary Ext (Post)

½ c.c. x 100 amp. ...	18 15 6	15 1 6
1 c.c. x 100 amp. ...	33 12 0	26 4 0

Quinine Bi-Hydro with Sacc. or Urethane

5 gr. 1 c.c. x 6 amp. ...	2 13 0	1 10 3
10 gr. 2 c c. x 6 amp. ...	4 3 6	1 15 6
Colocalcium with Vitamin D. 1 c c. x 6. ...	2 4 0	2 0 0
Lactumin 10 c.c. x 6 ...	4 0 0	4 0 0
do 10 c.c. x 12 ...	6 0 0	6 0 0
do 5 c.c. x 6 ...	2 8 0	2 8 0

Adrenaline Chloride

Box of 6 amp. of ½ c.c. ...	1 1 0	0 15 9
Box of 6 amp. of 1 c c. ...	1 6 6	1 5 0
10 c.c. Rubber capped phial. ...	0 11 3	0 10 6
30 c.c. Rubber capped phial. ...	1 6 6	1 5 0

Atropine Sulph.

1/100 gr. 1/200 grm. or 1/60 gr. in 1 c.c.		
Box of 6 amp. ...	1 1 0	0 15 9

Calcium Gluconate

10% 5 c.c. x 6 amp. ...	2 7 6	1 5 0
x 12 amp. ...	3 11 0	1 15 0
x 100 amp. ...	...	9 3 0
10% 10 c.c. x 6 amp. ...	2 13 0	1 10 3
x 12 amp. ...	4 3 6	2 10 0

Ephedrine Hydrochloride

	1946 Rs. a. p.	1956 Rs. a. p.
½ gr. x 6 amp. ...	1 3 9	1 2 6

Glucose Solution

12½% Sol. 10 c.c. x 6 amp.	1 9 3	0 15 9
x 12 amp.	2 7 6	1 10 3
12½% Sol. 25 c.c. x 6 amp.	2 7 6	1 10 3
x 12 amp.	4 3 6	2 10 0
25% Sol. 10 c.c. x 6 amp.	2 1 9	1 10 3
x 12 amp.	3 14 0	2 10 0
25% Sol. 25 c.c. x 6 amp.	2 13 0	1 15 6
x 12 amp.	5 4 6	3 4 6
50% Sol. 25 c.c. x 6 amp.	4 14 9	2 10 0

Morphine and Atropine

¼ gr. 1/3 gr. 1/200, 1/100... or 1/50 gr. in 1 c.c. x 6 amp.	1 1 0	0 15 9
Morphine & Atrophine ... ½ gr. 1/200 gr. 1/100 gr. in 1 c.c. x 6 amp.	1 6 6	1 5 0
x 12 amp. ...	2 1 9	15 6

Pituitary Ext. (Post)

½ c.c. x 6 amp. ...	1 9 3	1 5 0
x 12 amp. ...	2 10 3	2 4 9
1 c c. x 6 amp. ...	2 13 0	2 4 9
x 12 amp. ...	4 14 9	4 4 6

Pylmotran

Box of 10 ampoules 1 c.c.	4 8 0	4 0 0
,, 50 ,, 1 c.c.	19 8 0	18 0 0

Pyelopurin

Box of 50 ampoules 5 c.c.	26 0 0	16 0 0

Quinarsol

Box of 50 ampoules 1 c.c.	18 0 0	16 0 0
,, 50 ,, 2 c.c.	26 0 0	25 0 0

Tinctures & B.P. Preparations

Aqua Ptychotis per lb. ...	2 4 0	1 7 6
Acid Sulph. Aromat per lb. ...	2 9 3	2 3 6
Aqua Camphor per lb. ...	2 13 0	2 1 0
Aqua Choloroform per lb.	2 9 3	2 1 6
Ext. Cascara Sagrada Liq. per lb.	5 5 0	3 15 0
Ext. Ergot liq per. lb. ...	18 0 0	15 12 0
Liqr. Ammon Acetate Conc. lb. ...	2 13 0	2 10 0
Liqr. Ammon Citrate Conc lb. ...	2 7 0	2 2 3
Liqr. Strychnine Hydrochlor lb. ...	2 2 9	2 2 9
Spt. Ammon Aromat per lb. ...	2 11 0	2 2 3
Spt. Ether Nitrosi per lb.	2 7 0	2 4 6
Syrup Easton per lb. ...	4 13 6	3 4 6
Syrup Calcium Hypophos per lb.	1 12 0	1 7 9
Syrup Vasak per lb. ...	1 9 2	1 7 9
Syrup tolu per lb. ...	2 1 0	2 0 9
Tinct Belladonna per lb....	2 13 0	2 4 9

COMPARATIVE PRICE FIGURES FOR SOME PHARMACEUTICAL ITEMS.

	1946 Rs. a. p.	1956 Rs. a. p.
Tinct. Benzoin Co. per lb.	4 12 0	3 7 3
Tinct. Camphor Co. per lb.	2 7 6	2 2 3
Tinct. Digitalis per lb.	3 1 6	2 15 3
Tinct. Ferri Perchlor per lb.	1 7 6	1 7 6
Tinct Hyoscyamus per lb	2 10 0	2 7 6
Tinct. Quinine Ammon per lb.	7 0 0	2 15 3
Ung. Acid. Boric per lb.	2 5 6	1 15 6
Ung. Acid Sulphuric per lb.	2 5 6	2 0 9

Patent Medicines, Medicinal Specialities and Tablets

	1939 Rs. a. p.	1956 Rs. a. p.
Ear Drops ½ oz.	0 11 0	0 8 0
Kalmegh (B.C.P.W.) lb.	3 2 0	2 15 0
Lecivin 10 oz.	2 11 0	2 4 0
Anabin 100	5 12 0	4 8 0
Calsid 50	2 4 0	2 2 0
Asprin 5 gr. Tablets phial of 100 tablet.	1 6 6	0 15 9
Aspirin with Caffeine phial 100 tablets.	1 12 0	1 5 0

MEDICINAL SPECIALITIES

	1946 Rs. a. p.	1956 Rs. a. p.
Asokoletris 4 oz.	3 0 0	3 0 0
Hi-Nutron :		
10 amps. x 5 c.c.	3 8 0	3 8 0
6 amps. x 12 c.c.	3 12 0	3 12 0
Jodol Bot. of 1 oz.	0 14 0	0 14 0
Mag-Mag. Small size pot	1 0 0	1 0 0

PATENT MEDICINES

Di-iodooxyquinoline

Phial of 30 tabs	2 7 6	1 15 6

Sulphanilamide Tabs.

Phial of 100 tabs.	1 12 0	1 5 0
Phial of 1000 tabs.	9 13 6	8 3 3

Cataplasma Kaolin

Size No. 1	1 0 0	0 15 9

Milk of Magnesia

10 oz. phial	1 5 0	1 2 5
Quino Vintone 4 oz. phial.	2 7 0	1 10 3

Vintone with Asoke

6 oz. phial.	1 12 0	1 7 0

Vinkola

16 oz. phial	4 9 0	4 7 3

	1946 Rs. a. p.	1956 Rs. a. p.

SERA AND VACCINES

Anti Dysentry Serum Poly

	Rates in 1939 Rs. a. p.	Rates in 1956 Rs. a. p.
Bulb of 10 c.c.	1 2 0	1 0 0
Bulb of 25 c.c.	2 4 0	2 0 0

Anti Meningococcus Serum Poly

Bulb of 10 c.c.	1 2 0	1 0 0
Bulb of 25 c.c.	2 4 0	2 0 0

Anti Staphylococcus Serum, Poly

Bulb of 10 c.c.	1 2 0	1 0 0
Bulb of 25 c.c.	2 4 0	2 0 0

Anti Streptococcus Serum Poly Erysipolas, Puerperal

Bulb of 10 c.c.	1 2 0	1 0 0
Bulb of 25 c.c.	2 4 0	2 0 0

Anti Typhoid Serum Poly

Bulb of 25 c.c.	3 12 0	3 8 0

Haemostatic Serum

Bulb of 2 c.c.	1 2 0	1 0 0
Bulb of 10 c.c.	2 10 0	2 8 0
Gon. Arthritin–6 gd.	2 10 0	2 8 0
Gon Iodine Mixed	2 10 0	2 8 0
Thio Eczemine	2 10 0	2 8 0

Antiviruses

Box of 6 amps. 5 c.c.	1 8 0	1 0 0
Box of 6 amps. 10 c.c.	2 4 0	2 0 0
B/C Bottle of 30 c.c.	0 12 0	0 8 0

B: Bacteriophages

Box of 12 amps 3 c.c.	2 10 0	2 8 0

Sera and Vaccines

6 doses in a box	2 1 9	0 15 9
5 c.c. Rubber Capped phial.	1 6 6	0 15 9
10 c.c. do	2 1 9	1 5 0
30 c.c.	3 14 0	1 15 6

Prophylactic Vaccine

Cholera & Typhoid 3 doses in a box	0 11 3	0 8 0
5 c.c. ampoule	0 7 3	0 5 3
10 c.c. do.	0 14 0	0 9 0
10 c.c. in bulk packing	0 5 0	0 3 6
10 c.c. Rubber Capped phial.	1 6 6	1 5 0
30 c.c. do.	2 13 0	1 15 0

T.A.B. and T.A.B: Ch.

3 doses in a box	0 14 0	0 8 0
10 c.c. ampoule	0 14 0	0 10 6
5 c.c. ampoule	0 7 0	0 6 6

COMPARATIVE PRICE FIGURES FOR SOME PHARMACEUTICAL ITEMS.

	Rates in 1939	Rates in 1956
10 c.c. in bulk packing ...	0 5 0	0 3 6
5 c.c. Rubber capped phial. ...	1 3 6	0 15 9
10 c.c. do ...	1 12 0	1 5 0
30 c.c. do ...	3 5 3	1 15 6
Titanus Anti-Toxin Serum		
10,000 I. U. (1928) ...	5 10 0	5 9 3
Prophlyactic Vaccine		
5 c.c Rubber capped Phial. ...	1 1 0	0 15 9
Titanus Anti-Toxin Serum		
1500 I.U. (1928) ...	1 6 6	1 5 0

Indian Engineering Association, Calcutta.

GENERAL

I refer to the meeting between your Committee and representatives of the Indian Engineering Association held at 3-30 p. m. on Tuesday, 26th June and am directed to say that, while the Association accepts that there may be some need for a certain increase in freight charges, it would nonetheless like to emphasize that increased freight rates have a strong inflationary effect since they affect nearly all sections of industry, and should therefore be limited to a minimum. The Association would like also to suggest that increased efficiency is the only method of keeping total costs stable.

Indian Produce Association, Calcutta.

GENERAL

Re:-Railway Freight of oil & Oilseed.

With reference to your letter No. RFSEC/OE/1 dated 24-10-56, we have to suggest that parity between the freight rates of mustard seed and mustard oil may be brought about by modifying the rates suitably so that the ratio between the rates of seed and oil is approximately 1 and 3. It would be noted that the ratio between present rates of oilseed and oil approximates roughly to 1 and 1⅓.

Re:-Railway Claims.

In continuation of our previous note, we send you the following further suggestions for your consideration:—

1. Although claimants are bouud to send notice of claims under Section 77 of the Railway Act to the General Manager only, no official acknowledgment is roceived from the General Manager. It is our experience that in Law courts, the Railways do not accept signatures of the receiving clerk attached to G. M.'s office, obtained either in Peon Book or on slip of paper by claimants who usually deliver such notices by hand in the Railway's office in Calcutta. As such, it is suggested that the acknowledgment cards issued by the Railway for claims should be issued in the mame of the General Manager and the officer signing the card should sign for the General Manager and not the C. C. S., as at present.

2. Under the existing law, Notice of two months for filing suits in Law Court has got to be given within 12 months from the date of booking.

It is, however, common knowledge that very few claims are settled within 10 months and considerable time elapses before the Railway authorities give their decision accepting or rejecting the claim. The claimants, therefore, frequently run the risk of the claim becoming suit-barred by limitation while the matter is still under negotiation with the railway authorities. It will be appreciated that a claimant normally decides to file a suit only after the decision of the authorities in the claim is received by him. It s, therefore, suggested that:—

(a) The period of limitation for suits agains t Railway should be one year from *the date of the receipt of decision* of the railway in the matter and *Not* from the *date of booking.*

(b) For the above purpose of limitation, the date of receipt of the first letter of the Railway giving decision on the claim preferred may be treated as the date from which period of limitation of one year will commence.

Indian Sugar Mills Association,

Calcutta.

PART I—A

GENERAL

I am to refer to the meeting between the representatives of this Association and your Committee held on the 26th June, 1956. As desired at the meeting, I am detailing below the points made out by our representatives in addition to those already included in the memorandum submitted by the Association :—

(1) *Concessional freight rates on sugar intended for exports:* The Association desires that the Enquiry Committee should recommend to Railways to quote concessional freight rates on sugar intended for exports. This would be in keeping with the Government's declared policy of encouraging exports for meeting the increased requirement of foreign exchange during the Second Plan period. The production of sugar in the country in recent years has shown substantial improvement and it was expected to go up further in view of large scale expansion that was going on in the industry. It was therefore, hoped that in the near future the country would have a sizeable surplus which could be exported to other countries.

Since the sugar industry was mainly located in the U. P. and Bihar who between themselves produce about 70% of the country's production, it was apparent that supplies intended for export will have to be moved from these States. The existing freight charges for moving sugar from there to ports were very high and would act as a serious deterrent to any move by the industry to develop an export market for Indian sugar. Therefore, for facilitating export of sugar, the Railways should be prevailed upon to quote concessional rates which, in fact should be as low as possible.

(2) *Rationalisation scheme on the N.E. Railway*: For the last few months the North Eastern Railway has introduced a rationalisation scheme with a view to utilising their capacity more fully. Under this scheme factories were being compelled to send goods *via* dearer routes on payment of higher freight charges. For instance, factories in the Sonepur Division who were normally booking sugar for Calcutta *via* Mokameh Ghat are now required to book *via* Manduadih and pay higher freight charges. There are other similar instances where factories on the N. E. Railway have to pay higher freight charges due to the introduction of the rationalisation scheme.

Although the factories by sending their goods *via* dearer routes suffer as their funds are locked up for a longer period and the chances of deterioration in quality are greater, the Association would be willing to recommend to its members to book *via* longer routes in the interest of greater utilisation of the available capacity of the Railways But that should not involve the factories in higher freight charges. The freight rates have already gone up considerably and there is no justification for the railways to charge still higher rates specially when they were themselves compelling the factories to book *via* dearer routes and that too in their own interest to utilise the capacity more fully and thereby earn larger revenue. In the circumstances, the Association is of the considered opinion that there is absolutely no justification for the railways to charge rates higher than the normal and the cheapest rate. The Association hopes that the Enquiry Committee would consider this matter and recommend to the Railways to charge only the normal and the cheapest rates in all the cases where goods were required to be booked *via* dearer routes as a result of their own action as discussed above.

PART III

Composition of the Railway Rates Tribunal :— The Association is of the view that the procedure followed by the Railway Rates Tribunal is of such extreme formalities and is so very much akin to judicial enquires, that it has detracted from its usefulness to the trading public. Further, judicial nature of the proceedings before the Tribunal were largely responsible for lack of expedition in

the disposal of cases and the cost involved was also considerable. The Association feels that the Tribunal should follow a simple procedure appropriate to deal with commercial matters. With this object in view, it is suggested that the composition of the Tribunal needs to be altered and instead of having its members exclusively from judiciary, experienced business men and senior retired railway service-men should also be included as members of the Tribunal. It is felt that the composition of the Tribunal may be altered as follows :—

(i) A Chief Justice of the High Court or a Judge of the Supreme Court as the Chairman ;

(ii) Two experienced business men and

(iii) Two senior retired railway service-men.

Indian Tea Association,

Calcutta.

GENERAL

Insurance of Tea in Transit from the Gardens to Calcutta.

I am directed to address you on the subject of the Insurance of Tea and to give, as requested by your Committee, details of typical charges in respect of insurance :

Basic Marine Risk ...		3/40%	
Lorry and thereafter despatch by Steamer, Rail or Air. ...	plus	1/16%	special loading
	plus	1/16%	S. R. & C.C.
Garden boat ...	plus	1/18%	
Flat (attached to steamer) ...	plus	1/2%	

plus 1/40% detention Risk over one month in any one place.

As explained by Messrs Llewellyn and Pitcairn when they had the honour of meeting the Committee, settlement of claims under the existing insurance policies has proceeded with celerity, and, where matters are satisfactory, there is a natural reluctance to see any change, for fear lest new systems should involve greater delay or expense. There would also be good deal of complexity regarding the fixation of responsibility, if more than one party were responsible for insurance in the course of the tea's journey. As at present, teas are insured by the same party from time of plucking on the garden to sale in Calcutta, though the journey may have been partly by boat, partly by road, partly by rail and perhaps by road again, and though strikes on the garden and en route may cause delay.

Nevertheless, the matter will be considered in greater detail by my Association, and the outcome of this consideration will be communicated to your Committee, as soon as possible.

In the course of the interview which the Association was granted by your Committee, the question of insurance by the Railway of teas against all risks was raised, and the Association's representatives promised to enquire into the matter, and to report their Members' reactions.

(a) At present, teas are insured from the time of plucking until the time of sale through one agency. This obviously is extremely convenient for the Tea Industry, and the convenience is the greater in practice since it has been found that the Insurance Companies are extremely prompt in the settlement of claims.

Any system which required insurance through more than one agency, or for different sections of the journey, or for different periods, would not be so convenient, and would indeed greatly increase work, as well as requiring checks *en route* when the tea passed from the coverage of one insurance to another.

My members are, therefore, of the opinion that special insurance for a section of the journey would not be an advantage, would add to work, and would make the fixation of responsibility and the settlement of claims more difficult than at present.

(b) Your Committee will wish this reply to be frank, and it is, therefore, that I am to add that the delays in the settlement of railway claims—delays to which the Committee itself referred--are so considerable that there is a natural reluctance to adopt a system which would involve even more documentations and proof than exists at present.

(c) There is also some anxiety lest the insurance rates which the Railway would quote would not be "market rates", but would contain some element of surcharge in the belief that the Tea Industry could afford such surcharge, and that the Industry would in any case have to pay the surcharge, whether it could be afforded or not, since transportation and insurance would be in the same hands.

(d) At present, the Tea Industry's insurance agents undertake all the work of finalising claims, and have a good reason for pursuing their duties energetically. If the Railways undertook the Insurance, they

would appear as the judge and as the defendant, and the Tea Companies would themselves have to pursue the matter, with no recourse to the underwriters' good offices. This matter assumes more serious aspects when it is remembered that even after the Railways admit liability under the present system, recoveries are greatly delayed.

It is to be feared, from the opinions expressed, that there is no support for the suggestion that the Railway Administration should act as insurers, since it is believed that such an arrangement would increase greatly clerical work, would result in divided responsibility, might involve extra expense, and judged by past experience could only increase the delay which now exists in the settlement of claims.

The Metal Box Co., of India Ltd., Calcutta.

GENERAL

(i) ***Freight Rates for Tinplate, Aluminium Sheets, and Pilferproof Containers made from these materials.*** While giving evidence before you on 26 June, 1956 it was the contention of this Company that the rising cost of packaging was increasingly displacing the use of pilfer proof consumer packages. In support of this contention, we give, as an example statistics to show the decline in small packs for vanaspati in the period 1952 to 1955. Production of vanaspati has increasingly gone into bulk packs-*i.e.* four gallon tins, from these, it is dispensed loose in bazars laying the way wide open to adulteration and infection.

VANASPATI PRODUCTION

(in tons)

Year	Total production	Production in small packs
1952	190,000	62,000
1953	191,000	51,000
1954	240,000	53,006
1955	260,000	44,000

While the decline in consumer packaging is an alarming social problem, this Company is vitally concerned, as the vanaspati industry is our most important outlet. We have maintained our own position by expanding into new directions, for example, the manufacture of industrial components, but we cannot but be disturbed at this steady decline in what is our primary interest. The vanaspati industry is quoted only as an example, and because the statistics show the deterioration so clearly. Adulteration in the case of pharmaceuticals and ghee is now so widespread that no comment from us is necessary. There are large numbers of manufacturers, with whom we are in contact, who are seriously harassed by the widespread adulteration of their products, but who cannot, at present prices afford the type of packing necessary to safeguard their goods.

It is not contended that railway freight is the single determining factor, but it is an element in the complex, and any relief given in the matter of frieght, particularly for containers will be an important contribution to the elimination of adulteration through the use of pilferproof packaging.

We have already explained that as far as possible all our shipments of cans are made in the flattened form to minimize space requirements, and you have doubtless also examined the range of pilferproof consumer packages we sent you on 29th June, 1956.

(ii) ***Note on the processed food industry.***

1. Of the 10 million tons of fruits and vegetables produced in this country some 20—30% goes to waste between producer and consumer. A great deal of this waste can be eliminated if processing facilities are available, and a market for processed food created. Currently per capita consumption per year of fruits and vegetables is 2 oz in India as against 135 lbs in the U.S. (of this 86 lbs is canned fruits and vegetables). In India only, 12% of the total crop is preserved.

2. There is a large and important international market for the kind of fruits and vegetables that can be grown in India; in the sterling area this market is largely supplied by Malaya, South Africa, and Australia where the processed food industry receive very active Government assistance.

3. A processed food industry is a major stimulant to horticulture. The foot-hills of the Himalayas from Kashmir to Assam, Travancore, Bombay, Uttar Pradesh etc. are capable of supporting large and prosperous horticultural production.

4. Though this industry has had tarriff protection since 1947, it has failed to develop. In 1955 it filled some 8 million cans. In 1955 Malaya, whose pineapples are not better than ours, filled 51 million cans; South Africa used 370 million cans, Australia, 1000 million, and the U.K. 1,500/2,000 million.

5. In the Second Five Year Plan, this industry and all concerned with it, are determined to force a major expansion. This Company supplies cans to the industry at

highly concessional rates, and the resources of our own research laboratories, and those of our associates abroad, provide a vital service, free of cost, to food packers. We are currently exploring ways and means of further stimulating development, and the Ministry of Food and Agriculture are finalizing plans to subsidize the cost of tinplate and sugar.

6. It is of the utmost importance that this industry also received relief in the way of railway freight The industry requires an immediate "shot in the arm," and time to take advantage of that impetus. It would be tragic if the opportunity now being created by lowering the price of cans and sugar were sterilized as a consequence an unsympathetic freight rates policy. The present production of canned fruits and vegetables is in the region of 2,000 tons per year, and some 1.000 tons of tinplate is used for making cans. At the end of the Second Five Year Plan, it is intended to process some 10,000 tons of food in cans, and this will require about 5,000 tons of tinplate.

7. Freight concerns the industry at three points;

(a) transport of cans

(b) transport of the packed tins

(c) transport of fresh fruits and vegetables to packing stations.

Relief from freight is required at points (a) and (b). Processing must be localized in the area in which fruits and vegetables are grown, so that the transport of the fresh, readily spoiled products over long distances are kept at a minimum.

8. This localization of actual processing requires (a) low rates for cans—cans, as we have explained, are shipped in a flattened from wherever possible. At present they are accepted as Class VI. It would be a major contribution to the industry if this was reduced to class IV. It is not possible to spread the manufacture of cans in the present order of demand. Cans for the processed food industry have to meet very rigorous requirements. Fruits and vegetables are heat processed in the cans after filling; the contents have to be preserved in difficult storage and transport conditions over long periods. Failure to meet these requirements can lead to dangerous food poisoning, and a loss of confidence sufficient to destroy any individual packer and possibly the industry. Cans for the processed food industry consequently must be made to the most rigorous standards on precision, automatic high speed machinery. We have installed such machinery in both Bombay and Calcutta. No single area currently has a sufficiently high level of demand to keep one of these high speed machines in economic production, (b) Low rates for packed tins. Filled tins were previously in Class XIII. Following representations from the Indian Food Packers Association, preserved fruits and vegetables are now in Class VIII. The Association has further requested that both preserved fruits and vegetables in cans be given Class IV rates and this request has been backed by the Ministry of Food and Agriculture We very strongly support this request.

9. These reductions in freights will go to create that large opportunity, which must be provided now, if the industry is to develop. The final results will be seen in higher and better nutritional standards, large earnings of foreign exchange, and a prosperous horticulture in many areas of the country, which cannot hope to attract heavy industry in the near future.

सत्यमेव जयते

Paint Federation,

Calcutta.

PART I-A & II

GENERAL

While thanking you for the opportunity extended to the Federation for submitting its oral evidence and suggestions at the Meeting held on the 25th June 1956, I am now directed to submit as under the detailed information requested by the Committee in regard to the following proposals put forward by the Federation Representatives Messrs. G. V. Dorsey & D. Rangaswamy.

1. The simplification of the Freight Structure in respect of the large number of different classes existing at present which should be reduced to the minimum nnder 4 Broad Classifications scaling down simultaneously the high tariff rates existing at present.

(a) ***Highly Inflammable:***—N. C. Lacquers Paints, Varnishes, Polishes, Thinners etc., having a flash-point at or below 76° F.

(at present the above category of goods are classified under tariff classification 15 and 14/12, but it is suggested that tariff classification as per 14 should apply in all cases)

(b) ***Dangerous Goods:***—Paints, Varnishes, Thinners, etc., having a flash-point above 76°F, but not above 95°F.

(at present the above category of goods are classified under tariff classification 15 and 10/8 but it is suggested that tariff classification as per 9/8 should apply in all cases)

(c) *Non-dangerous Goods:*—Paints, Enamels, etc., having a flash-point above 95°F but below 200°F.

(at present the above are classified under tariff classification 9/8 and 7/5, but it is suggested that the tariff classification as per 7 should apply in all cases.)

The Railway consider this category as "Dangerous Goods" whereas the Paint Industry are of the opinion that according to the flash-point these goods are not dangerous and should be classified as "Non-dangerous."

(d) *Ordinary Goods:* Paints and dry colours having a flash-point at or above 200 °F (at present the above are classified under tariff classification 7/5, but it is suggested that these are ordinary goods and the tariff classification as per 5 should apply in all cases.)

The reduction in tariff rates has been suggested:

(i) As it is a part and parcel of the reduction of number of classes proposed, and

(ii) That in the opinion of the Federation, Paints, Enamels, Varnishes etc., which is a basic necessity for all Industries would assume more and more importance with the increasing Industrial Expansion throughout India.

Another point put forward for consideration is that the cost value of Paints, Enamels, Varnishes, etc., should be duly considered when fixing the tariff rates as it should be avoided that cheap or low cost paints having a low flash-point should not be subjected to the same high rate of freight as far more expensive paints having a similar low flash-point.

The present classification applies to both "Smalls and Wagon Loads", but as it is a feature of the tariff that the commodities moving mostly in Wagon Loads, wagon loads scales are quoted considerably lower than Class rates, it is suggested that Paints, etc., warrant similar suitable wagon load scales.

2. To adopt one standard rate system instead of 2 different types of rates for goods carried at Railway Risk and Owner's Risk, keeping both categories, but in a different way.

The specific rates quoted for Owner's Risk lead to discrimination and consequent grievances which should be done away with by substituting same with a straight percentage reduction of say 20 or 25% over the standard rates, as may be deemed reasonable by the Committee.

3. To recommend to the Railway Committee, special wagon load rates from Shalimar to Madras and similarly from Bombay to Madras as existing for despatches from Shalimar to Bombay and *vice versa*

4. To recommend to the Railway Authorities, suitable special station-to-station rates for paints especially from principal stations and other principal loading points where Member Paint Factories are located to enable them to send their goods in larger quantities to such important inland centres all over India like Kanpur, Delhi, Lucknow, Jubbulpore, Nagpur, etc., which are industrially expanding.

5. Settlement of Claims in case of loss or damage in transit within a limited period of 3 months.

The Federation appreciates the indications given by the Committee that all possible consideration would be given to the suggestions made, and have noted with satisfaction that in regard to suggestions 1, 2 & 5 the Committee were thinking on somewhat similar lines, and as regards suggestions 3 & 4, that though the Committee thought the demand did not appear to be unreasonable the same would have to be considered from a revenue point of view etc., which the Federation fully understands.

In case the Committee thinks the matter of classification is to be considered separately by a sub-Committee the Federation would welcome the opportunity of meeting the Sub-Committee and furnishing them any further particulars that may be required.

III. M. Ps. & INDIVIDUALS

TRAVANCORE — COCHIN.

Prof. K. Kesavan Nayar, M.A., B. Com., LL.B.,

Chittoor (T. C.)

PART I-A.

Q: 1. (a) The adoption in 1948 of the revised general classification of goods has rendered a beneficial effect on industry and trade in general.

(b) The adoption in 1948 of the principle of telescopic rates on the continuous mileage over the different railways has been helpful to industry and trade. The standardisation of passenger fares and the introduction of telescopic rates on all Indian Railways afforded the speedy movement of men and materials which conrtibuted to the enhancement of business activity throughout the country.

Q: 4. The free carriage of goods beyond a distance of 1500 miles may be continued.

India is a subcontinent and the distance from Cape Comerin to Kashmir is roughly 2000 miles and that from Assam to Punjab is just below it. To meet the increasing volume of India's internal trade the present practice must remain.

Q: 7. The existing minimum distance for charge of 20 miles for goods traffic may be continued. Any alteration may lead to competition from road carriers.

Q: 8. The no charge system for haulage of empty tank wagons be extended to all railways. It is always preferable to have uniformity. From the point of view of trade no charge should be levied for the haulage of empty tank wagons to the loading stations.

Q: 14. The minimum weight for a 'smalls' consignment may be enhanced to ten seers from seven. This may to some extent reduce the wasteful operation of duplication of services both by goods and parcel trains.

Q: 15. The existing arrangement may be followed. If all commodities up to a maximum weight be placed in one class that is if they are levelled up, it may adversely affect small scale trade.

Q: 18. Express goods services are welcome to meet the growing demands for transportation of goods from trade and indusrty. Time factor forms an important element in trade. An additional charge may be levied for the service similar to that of express train services.

Q: 19. In places where there is constant heavy traffic, supply of fixed cranes by railways under moderate charges is desirable. In places where only medium traffic exists travelling cranes may be made available.

Q: 20. In an agricultural country like India the movement of livestock must be made easy and cheap. It is highty desirable that the Railways should accept livestock in smalls instead of wagon loads. The present rate of nine annas per mile for cattle must be reduced to one anna, per mile which will facilitate cheap transportation of milch cows and draught animals and will be a financial relief to the agricultural class.

Q: 21. Short distance traffic by the railways must be maintained Theoretically it may be correct to say that the railways should take up only long distance traffic and the short distance traffic must be left to the road agencies or water transport. But Indian conditions are such that this theory is not to be implemented in practice now. Though water transport is cheap it is not available throughout the year and throughout the country. Besides this mode of transport is not as reliable as the Railways. Road transport by itself cannot meet the growing demand from trade and industry for the carriage of goods. Hence short distance traffic by the railways has to be continued. It may be pointed out here that in the case of short distance traffic competition between the rail road and water transport where ever they exist, should be eliminated. There can be adjustments in rates and the different modes of traffic should work complimentary to each other. In order to remove the strain on railways and also to encourage coastal shipping adjustment of freight rates on long distance traffic is desirable.

Q: 22. For short distances the motor lorry freight is roughly twice that of the railways and the inland water freight is about half of the railway freight.

Q: 26. To further the economic progress of the country in the light of the Five Year Plans a lower freight structure is necessary. Top priority must be given and all facilities supplied to the quick and cheap movement of raw meterials and finished goods from one end of the country to the other. The overall raise of the national economy is to form the primary consideration and Railway revenue the secondary. This does not the least mean that the railways are to make sacrifices by working at a loss.

Q: 31. The Railway freight rate policy should not be based only on considerations of the economies of transportation and the needs of railway finance The freights are generally determined between the minimum, that is the cost of service and the maximum, that is what the traffic can bear. Apart from this, in fixing the rates, consideration of the needs of commerce and industry have to be weighed in mind. The freight rate has a direct effect on the industrial structure of the country. In a vast country like India where raw materials have to be conveyed to industrial centres from distant parts and finished goods have to be marketed in far off places from industrial sites, the rise and growth of industries, whether it belongs to the private or public sector, depends on a fovourable freight rate.

Q: 33. The railway administration must render assistance to the establishment and development of new industries. Heavy industries which produce capital goods must be encouraged. The criterion of a country's strength is measured by the volume of capital goods it produces. India has only just entered the field of industrialisation which other countries did a century ago. The railway administration can do a lot in making India a great industrial country. A distinction may be made between the requirements of industries now existing and those newly planned. Special consideration must be shown for the economic development of under developed areas.

Q: 37. In the Second Five year Plan emphasis is laid on the development of village and cottage industries. The railway freight structure should be so utilised as to give assistance to the development of these industries. The freight rate for the carriage of consumer goods produced in these centres should be lower than those quoted for the carriage of goods produced by large scale and long establised industries. The goods produced in villages must be enabled to find a market. The price element is an important factor in the marketing of goods. A higher freight rate will inflate the prices. Hence the products of cottage and village industries should be carried at a lesser freight till they can establish themselves by standing on their own legs.

Q: 38. When the price is controlled or a ceiling of price is made by the Government in regard to certain commodities this fact also should be considered in fixing the freight of such commodities. A differentiation in freight rate in the matter of commodities the price of which is controlled and of

those of which price finds its own level according to normal trade channels, has to be made. Equal freight rates for both classes will hit hard the trade of price controlled commodies.

Q: 41. Fluctuations in the competitive conditions in the export market should be taken into consideration in adjusting railway freight rates for commodities which are mainly exportable. All possible encouragements should be given for export and especially of dollar earning commodities. For some time more to come we require capital goods from foreigners which necessitates foreign currency. The freight rate regarding these commodities must always be flexible so that it can be adjusted according to the exigencies of the situation.

Q: 46. The chief products of the Travancore-Cochin, Malabar area are paddy, pepper, ginger, cardamams, cocoanuts, tea, coffee, rubber, timber, lemon grass and oilseeds.

Q: 47. India is a country of small villages and it is not possible to extend railway terminals to all villages. At the same time it must be said that the villagers must be enabled to dispose of their goods by rails. This can be achieved only by giving warehouse facilities to them. So warehouses for temporary storage of agricultural produce have to be provided in the railway premises. This will help in the clubbing of 'smalls' consignments into wagon loads.

Q: 54. In framing the railway freight structure certain basic principles have to be followed. Railway is our biggest nationalised industry. Theoretically speaking a state owned industry should be guided by service motive and not by profit motive. But nowhere has any business thrived adhering strictly to this noble doctrine. Though nationalised business is run in the interest of the people no business can survive unless in the long run it can make both ends meet. So the first and foremost principle to be adopted in fixing the railway freight is the cost of service principle. The next matter to be looked into in fixing the rates is the paying capacity of the traffic. The principle of what the traffic can bear has an important bearing in the fixation of rates. Besides, the fixation of railway rates has a direct effect in the industrial structure of the country. The railway rates are to be so adjusted as to suit the needs of commerce and industries with the aim of serving national interests.

Q: 55. Above all it must be borne in mind that in any increase in the railway freight will hit hard the consumer. It is similar to an indirect taxation. The trader or the businessman usually shirks the burden to shoulders of the consumer. The lower income group and the middle class to which category the brunt of the population of India belongs will be the worst sufferers. Taking a broader view of things the common man in a welfare state should never allow to suffer.

IV. MINISTRIES OF THE GOVERNMENT OF INDIA.

Ministry of Railways & Transport,

(Railways).

Central Railway,

Bombay.

Copy of D. O. Letter dated 10-10-1956 from Sri M. N. Chakravarti, General Manager, Central Railway, to Sri A. K. Basu, Official Member, RFSEC.

As desired by you, I have put down my ideas briefly and in a concise form. I have divided these under five categories:

A	...	Class Rates.
B	...	Coal Rates.
C	...	Wagon Load Rates.
D	...	Level of Rates.
E	...	Miscellaneous.

Under A, B & C, I have considered the structure of the rates as distinct from the level of rates and I have suggested that the class rates and the wagon load scales should be derived from a basic scale given by the following formula :—

$R = 2.5 S^{\frac{3}{4}}$ (Where R is the rate in pies per maund and S is the distance in miles).

The extent of relative taper in the scales will be given by $S^{\frac{3}{4}}$ which you will observe is the geometric mean between the equi-mileage scale, i.e. S1 and the Ripley's conception of rates $S^{\frac{1}{2}}$ based on cost.

2. I am indeed very happy that the existing class rates accord very well with the proposals made by me and although this is not so in the case of the wagon load scales, this is not because there is something wrong with the method suggested but because the existing wagon load scales have been derived in assimilation of the then existing scheduled rates.

3. I have also devised a scale for coal and in this the relative taper has been assumed as per Ripley's conception, i.e. $S^{\frac{1}{2}}$. ($R = 4.5 S^{\frac{1}{2}}$).

4. I have also given in Part D some of my ideas as regards the level of rates and have suggested that by and large there should be a 25% increase. The formula for the basic rates explained elsewhere has sufficient

elasticity and if the coefficient 2.5 is raised suitably, all the rates will be altered without changing their relativity, which, I think, is a strong point in its favour.

5. In Section E, I have recorded my thoughts in regard to some other matters that may be considered in connection with rating policy.

6. I hope you will find the notes clear enough.

VIEWS EXPRESSED BY THE GENERAL MANAGER, CENTRAL RAILWAY.

A.—CLASS RATES

The problem of railway freight may be considered under two broad heads.

(a) Rates Structure as such, and

(b) Level of the Rates.

2. As for the Rates Structure, we have to consider each of the various constituents that go to make up the total or the effective rate. This Railway's views on each of the constituents are summarised below :—

(*i*) *Conveyance charge*	To be be continued on the telescopic principle and on continued mileage as at present. The telescopic nature of the rates might be evened out; the extent of the taper, taking into account (a) the desirability of retaining the geographical advantage, (b) unit cost decreasing with lead, and (c) nature of the commodity, the part it plays in the general economy of the country.
(*ii*) *Terminal*	This should be merged with the conveyance charge A higher basis for shorter distance will tend to absorb the terminal charges.
(*iii*) *Short Distance*	This should be abolished. Minimum distance for charge may be raised.
(*iv*) *Transhipment charge*	This should be abolished.
(*v*) *Minimum distance for charge* ...	This should be raised to 50 miles with exceptions, where justified.
(*vi*) *Minimum charge per wagon* ...	Not necessary, in view of (*v*).

Note :—The fundamental considerations that enter in this connection are :—

(i) It is extremely difficult to justify more or less uniform terminal charge for all stations and considerations.

(ii) Short distance charge leads to complication of the rates structure and does not go far enough in achieving the objective in view.

(iii) The earning from transhipment charge is small. Moreover, extra charge, while the goods are enroute, is not desirable, on principle.

(iv) Utilisation of wagons necessary even for short lead traffic is 2½ to 3 days. Each wagon-day can be equated to Rs. 25 on the B.G. and Rs. 15 on the M.G.

(v) Road—Rail Co-ordination upto 50 miles may be deemed as within the legitimate sphere of Road Transport. Industrial raw materials even for short lead may, however, need the assistance of rail transport.

3. These suggestions, when projected on the existing structure, work out as shown in the blue print. The following results emerge :—

(i) There is a flat rate upto 50 miles.

(ii) Need for shading off, which arises with S.D charge, is avoided.

(iii) Rates from 75 miles and above are unaffected.

(iv) Shorter lead rates are enhanced, while rates for beyond certain distances (38—47 miles for class rates and 25—36 miles for WL scales) upto 75 miles are lowered.

(v) A new leg upto 50 miles is introduced for constructions of rates only and for quotation of special rates for industrial raw materials over short lead where justification arises.

4. The existing class rates fan out more or less, on a regular pattern. (See graph). The wagon load rates, however, do not do so and they cross each other in different ways. This has been so, as the WL rates have been so devised as to assimilate the then existing rates to the maximum extent feasible. The whole rates, however, move in a taper fashion, the extent of taper being much higher than in the case of the class rates.

5. In order to simplify the class rates, I have attempted to devise a *standard scale* with some theoretical and practical backing and which can be applied on a proportionate basis to cover all class rates. In doing

so, two major aspects have to be considered: (i) the cost of service and (ii) the value of service.

Under cost of service, it is well known that per unit distance the cost decreased with increasing lead. Ripley has estimated that the freight rates should vary as the square-root of the distance.

As regards the value of service, apart from the level of rates, the extent of the taper should take into account the advantages that should be retained for geographical location. The level of rates, however, can be taken care of by placing the commodity in a particular class.

The equimileage rate R = k. S where R is the rate, k is the constant and S is the distance) tends to retain the full advantage of geographical location and can be considered generally equitable, but it is known that on this basis the rates tend to make long distance movement prohibitive. On the other hand, an excessive taper may lead to uneconomic location of industries. On the basis of Ripley conception, the rates should vary as the square-root of the distance, (*i.e.*, $R = k.S^{\frac{1}{2}}$).

6. I am, therefore, of the opinion that the standard scale should lie between the two somewhat theoretical scale indicated above, viz. R = k.S and R = k.$S^{\frac{1}{2}}$ and I, therefore, interpolated the geometric mean and tried to apply the following formula:

$$R = k\, S^{\frac{3}{4}}$$

This may be somewhat empirical, but has a theroetical backing, and by putting k = 2.5 and R being measured in pies and S in miles, we arrive at the following scale.:—

$$R = 2.5\, S^{\frac{3}{4}}$$

$$\text{or } \text{Log } R = 2.5 + \tfrac{3}{4} \text{ Log } S$$

Distance miles. B	Log S	¾ Log S	Log 2.5	Log R	R pies	Present effective 1 Class Rate. Pies.	
50	1.6990	1.2742	.3979	1.6721	47	49	(Includes SD) (Includes Term)
100	2.0000	1.5000	do.	1.8979	79	70	(Includes Term)
150	2.1761	1.6321	do.	2.0300	107	97	do.
200	2.3010	1.7257	do.	2.1236	133	124	do.
250	2.3979	1.7984	do.	2.1963	157	151	do.
300	2.4771	1.8578	do.	2.2557	180	178	do.
350	2.5441	1.9081	do.	2.3060	202	201	do.
400	2.6021	1.9516	do.	2.3495	224	223	do.
450	2·6532	1.9899	do.	2.3878	244	246	do.
500	2.6990	2.0242	do.	2.4221	264	268	do.
550	2.7404	2.0553	do.	2.4532	284	291	do.
600	2.7782	2.0836	do.	2.4815	303	313	do.
750	2.8751	2.1563	do.	2.5542	358	364	do.
1,000	3.0000	2.2500	do.	2.6479	445	449	do.
1,250	3.0969	2.3227	do.	2.7206	526	534	do.
1,500	3.1761	2.3821	do.	2.7800	603	619	do.

7. Having arrived at this basic standard scale, the other class rates can be worked out by percentage increases and the following indices have been adopted:—

Standard Scale = 100.

Class.	Index.	Remarks.
I.	100	Increase of 10 points for each class.
II.	110	
III.	120	
IV.	130	
V.	140	
VI.	150	
VII.	160	
VIII.	170	
IX.	180	
X.	200	Increase of 20 points for each class.
XI.	220	
XII.	240	
XIII.	260	
XIV.	280	
XV.	360	

A calculated table is enclosed together with the existing 15 class rates. The graph has also been prepared which shows a fair degree of identity in regard to the various calculated rates. In other words, there would not be any large variation, if the straight forward and, I consider, scientific system is adopted.

8. The question of the level of rates, however, is a different matter and if this procedure is adopted, it should be easy to modify the rates from time to time without much difficulty, for, instead of the basic scales being calculated with k = 2.5, it could be calculated at 3.0 if it is desired to increase the level by 20%. I feel, therefore, that this method is not only simple and scientific but also gives considerable elasticity in modifying the level of charges, as and when the economic condition in the country changes.

CALCULATED EFFECTIVE RATES (IN PIES PER MAUND) FOR CERTAIN DISTANCES INCLUSIVE OF TERMINAL AND SHORT DISTANCE CHARGES.

Proposed Rates are Based on the Basic Scale R 1 = 2.5 (Distance)$^{\frac{3}{4}}$ (Indices of proposed Rates Shown in Brackets.)

	Existing.															Proposed.															
Distance	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV	R 1 (100)	R 2 (110)	R 3 (120)	R 4 (130)	R 5 (140)	R 6 (150)	R 7 (160)	R 8 (170)	R 9 (180)	R 10 (200)	R 11 (220)	R 12 (240)	R 13 (260)	R 14 (280)	R 15 (360)	Miles.
50	49	52	54	57	60	62	65	68	72	76	79	83	87	100	138	47	52	56	61	66	71	75	80	85	94	103	112	122	132	170	50
100	70	75	80	85	91	96	102	108	115	123	130	138	14:	171	248	79	87	95	103	111	119	126	134	142	158	174	190	206	222	284	100
150	97	105	112	120	129	136	145	154	165	177	187	199	211	249	364	107	118	128	139	150	161	171	182	193	214	235	256	278	300	386	150
200	124	134	144	154	166	176	188	200	214	230	244	260	276	326	480	133	146	160	173	186	200	213	226	239	266	293	320	346	372	478	200
250	151	164	175	189	204	216	231	24:	264	284	301	321	341	404	596	157	173	188	204	220	236	251	267	283	314	345	376	408	440	566	250
300	178	193	208	223	241	256	274	292	313	337	358	382	406	481	712	180	198	216	234	252	270	288	306	332	360	396	432	468	504	648	300
350	201	218	235	252	273	290	311	331	355	382	407	434	462	540	783	202	222	242	263	283	303	323	344	364	405	444	484	426	466	728	350
400	223	242	262	281	304	324	347	370	397	427	455	486	517	599	853	224	246	269	291	314	336	358	380	403	447	493	538	582	628	806	400
450	246	267	289	310	336	358	384	409	439	472	504	538	573	658	924	244	268	293	318	343	366	390	415	439	488	537	586	636	684	878	450
500	268	291	316	339	367	392	420	448	481	517	552	590	628	717	994	264	290	317	344	370	396	422	449	475	529	581	634	688	740	950	500
550	291	316	343	368	399	426	457	487	523	562	601	642	684	776	1065	284	312	341	369	398	426	454	483	511	568	625	682	738	796	1022	550
600	313	340	370	397	430	460	493	526	565	607	649	694	739	835	1135	303	333	364	394	424	455	485	515	545	606	667	728	788	848	1090	600
750	364	397	433	466	504	541	580	619	664	714	763	817	871	976	1285	358	394	430	466	501	537	573	609	644	716	788	860	932	1002	1288	750
1000	449	492	538	581	626	676	725	774	829	891	953	1022	1091	1211	1535	445	490	534	578	623	668	712	756	801	889	979	1068	1156	1246	1602	1000
1250	534	587	643	696	749	811	870	929	994	1069	1143	1227	1311	1446	1785	526	579	631	683	736	789	842	893	947	1051	1157	1262	1366	1472	1894	1250
1500	619	682	748	811	871	946	1015	1084	1159	1246	1333	1432	1531	1681	2035	603	663	724	783	844	905	965	1024	1085	1205	1327	1448	1566	1688	2170	1500

B.—COAL RATES

As coal is one of the vital commodities for the industrial development of the country and is raised in certain areas only, it is necessary that coal has to move over very long distances. The rate for coal should be low and in my opinion the structure of rates should lean more on the basis of cost. According tc Riplely's conception the rate shc uld be k. $S^{\frac{1}{2}}$ and in the case of coal at least I agree with him that the rate might be based on that principle.

2. I have, therefore, devised the following basis for the rates for coal:—

$K = k.S^{\frac{1}{2}}$: (Where R is the rate per maund k = 4·5 and S is the distance measures in miles.)

The calculated rates for certain distances compared with the existing rates inclusive of terminal and short distance charges, is shown as Annexure. This has also been plotted on a graph.

3. It will be observed that the basis proposed accords reasonably closely with the existing rates, except in an area near about 200 miles. This is so, because the existing basis of rates has a comparatively steep rate upto to 200 miles and then it tapers down abruptly.

4. I consider that the revised scale is satisfactory, subject to the fact that the present level of rates is accepted as correct. In case it is desired to raise the present level of rates, this can be done easily by modifying the value of k to 5·0 which will give an increase of 11%.

COAL RATES.

(Proposed rates arrived at on the basis of $R = k.\ S^{\frac{1}{2}}$, where R is the rate per maund and k = 4.5).

Miles.	Existing rate per ton incl. of Term : and S.D. charges Pies.	Proposed.		
		Per Maund Pies.	Per ton Pies.	Difference Pies.
20	696	—	—	—
49—50	924	32	871	−53
51—75	972	—	—	—
100	1,164	45	1,225	+61
200	1,980	64	1,742	−238
225	2,052	68	1,851	−201
400	2,520	90	2,450	−70
625	3,012	113	3,076	+64
900	3,612	135	3,675	+63
1,225	4,260	158	4,301	+41
1,444	4,692	171	4,655	−37
1,486	4,776			
1,500	4,776	174	4,736	−40

C.—WAGON LOAD SCALES.

While the class rates are spread over a wide field and the graphical lines of the different classes do not cross one another, in the case of wagon load scales they are spread over rather haphazardly and the lines cross and re-cross one another. This has been so, because the wagon load scales had been introduced in assimilation of the then effective scheduled rates. It is therefore, apparent that any attempt at rationalisation of the wagon load scales will naturally lead to variations from the existing rates.

2. Since the wagon load scales are really in extension of the class rates for the commodities, the extent of taper in such cases should be in consonance with the taper for the class rates, and I have, therefore attempted to utilise the same formula for determining the wagon load scales also. These have been based on the standard scale given by $R = 2.5\ S^{\frac{3}{4}}$.

3. In the case of wagon load scales, the rates are lower than the lowest class rates and the following percentages of the standard scales are, therefore, proposed in place of the existing wagon load sales:—

Existing wagon load scale.	Basis of the present wagon load scale. (pie per maund per mile)					Proposed rate—Percentage of standard rate.
WL/A	.25/100	+	.20/300	+	.15	45%
WL/AR	.30/100	+	.25/300	+	.20	55%
WL/C	.34/150.	+	.31/150	+	.17	60%
WL/CQ	.36/150	+	.33/150	+	.18	65%
WL/D	.38/300	+	.26/300	+	.17	65%
WL/BR	.48/100	+	.30/300	+	.29	65%
WL/B	.48/100	+	.32/300	+	.23	70%
WL/CR	.41/150	+	.38/150	+	.24	70%
WL/E	.43/300	+	.21/300	+	.15	75%
WL/I	.43/300	+	.20/300	+	.15	75%
WL/F	.43/300	+	.32/300	+	.21	75%
WL/G	.48/300	+	.26/300	+	.19	80%
WL/H	.48/300	+	.35/300	+	.23	85%

A statement in this connection is attached.

4. A calculated rate table with the present and the proposed rates for certain specific distances is also shown in the statement attached and it will be seen that the proposed rates more or less agree with the present rates for the lead over which the traffic moves at present.



EXISTING AND PROPOSED WAGON-LOAD SCALES.

(in pies per maund)

Existing rates are inclusive of a terminal of 12 pies and also short distance charge, where leviable : Proposed rates are obtained by applying percentage as indicated to the Standard 'RI' rate.

Miles.	Existing WL/A	Proposed 45%	Existing WL/AR	Proposed 55%	Existing WL/C	Proposed 60%	Existing. WL/CQ	Existing. WL/D	Existing. WL/BR	Proposed 65%	Existing. WL/B	Existing. WL/CR	Proposed 70%	Existing. WL/E	Existing. WL/I	Existing. WL/F	Proposed 75%	Existing WL/G	Proposed 80%	Existing WL/H	Proposed 85%	Miles.	RI.
50	31	21	33	26	35	28	36	37	42	31	42	39	33	40	40	40	35	42	38	42	40	50	47
100	37	36	42	43	46	48	48	50	60	51	60	53	56	55	55	55	59	60	63	60	67	100	79
150	47	48	55	59	63	64	66	69	75	70	76	74	75	77	77	77	80	84	86	84	91	150	107
200	57	60	67	73	79	80	83	88	90	86	92	93	93	98	98	98	100	108	107	108	113	200	133
250	67	71	80	86	94	94	99	107	105	102	108	112	110	120	120	120	118	132	126	132	133	250	157
300	77	81	92	99	110	108	116	126	120	117	124	131	126	141	141	141	135	156	144	156	153	300	180
350	87	91	105	111	118	121	125	139	135	131	140	143	142	152	151	157	152	169	162	174	172	350	202
400	97	101	117	123	127	135	134	152	150	146	156	155	157	162	161	173	168	182	179	191	190	400	224
450	105	110	127	134	135	147	143	165	160	159	168	167	171	173	171	189	183	195	195	209	207	450	244
500	112	119	137	145	144	159	152	178	170	172	179	179	185	183	181	205	198	208	211	226	224	500	264
550	120	128	147	156	152	171	161	191	180	185	191	191	199	194	191	221	213	221	227	244	241	550	284
600	127	136	157	167	161	182	170	204	190	197	202	203	212	204	201	237	227	234	243	261	258	600	303
750	150	161	187	197	186	215	197	230	220	233	237	239	251	227	224	269	269	263	287	296	304	750	358
1000	187	200	237	245	229	267	242	272	270	289	294	299	312	264	261	321	334	310	356	353	378	1000	445
1200	217	230	277	281	263	306	278	306	310	332	340	347	357	294	291	363	383	348	408	399	434	1200	510
1250	225	237	287	289	271	316	287	315	320	342	352	359	368	302	299	374	395	358	421	411	447	1250	526
1500	262	271	337	332	314	362	332	357	370	392	409	419	422	339	336	426	452	405	483	468	513	1500	603

WAGON LOAD SCALES

Existing wagon load Scale.	Principal commodities.	Basis of present WL Scale	Proposed % of standard R 1	REMARKS.
1. WL/A	Manures (O. R.) Oilcake (O. R.)	.25/100+.20/300+.15	45%	The traffic moves over comparatively short distances, say upto 450 miles. At this mileage the enhancement of rates is about 5%
2. WL/AR	Bone meal, Manures (R. R.), Oilcake (R. R)	.30/100+.25/300+.20	55%	do
3. WL/C	Ashes, Bricks, Chalk, Firewood, (O. R) (O. R) (O. R) (O. R)	.34/150+.31/150+.17	60%	The traffic moves over short distances only, say upto 300 miles and upto this distance there is almost no change.
4. WL/CQ	Bones (O. R)	.36/150+.33/150+.18	65%	do
5. WL/D	Grain & Pulses, Bran, Husks.	.38/300+.26/300+.17	65%	Reduction of rates from about 175 miles to 700 miles. Then enhancement in rates.
6. WL/BR	Chemical manures - Divn. B	.48/100+.30/300+.20	65%	The traffic moves over long distances also. There will be a slight reduction in rate upto 450 miles and then an enhancement. Even for 1500 miles the percentage rise will be only 6%
7. WL/B	Heavy chemicals like Bicarbonate Soda, Borax etc.	.48/100+.32/300+.23	70%	This traffic moves over long distances also. There will be no material change in rates upto about 500 miles. Then there will be a slight enhancement. Even for 1500 miles, the percentage rise will be less than 3½%.
8. WL/CR	Ashes, Bricks, chalk, Firewood, (R. R) (R. R) (R. R.) (R- R)	.41/150+.38/150+.24	70%	There is no material change in rates for short distances for which the traffic moves. Again the relativity of rates for OR & RR, Viz., WL/C & WL/CR will be 60%: 70% difference of 10 points.

WAGON LOAD SCALES (concld).

Existing wagon load Scale	Principal commodities	Basis of present WL Scale	Proposed % of standard R I	REMARKS.
9. WL/E	Cement, Timber	.43/300+.21/300+.15	75%	The two WL sceles WL/I & WL/1 are almost identical. The traffic may move upto about 400 miles and the proposed rates will be almost hand in hand.
10. WL/I	Salt.	.43/300+.20/300+.15		
11. WL/F	Fruits fresh, Seeds Common, Patatoes, Onions.	.43/300+.32/300+.21	75%	The traffic moves over comparatively short distances and the proposed rates go more or less hand in hand upto about 250 miles.
12. WL/G	Jagree.	.48/300+.26/300+.19	80%	The traffic moves over the distances upto about 600 miles and the proposed rates go more or less hand in hand.
13. WL/H	Flour, Oil seeds, Chem. manures Divn-A.	.48/300+.35/300+.23	85%	The proposed rates go hand in hand upto about 750 miles.

D.—LEVEL OF RATES

To determine the correct level of rates, we have to consider a number of relevant factors, some of which are referred to below.—

(i) That railways can neither be taken as a purely commercial concern with all the profits that they can make nor can they be used as a public utility service without the question of return on investment. A mean has to be struck.

(ii) Unless an undertaking can supply things or services in such quantities and at such prices as will make it worthwhile to the undertaking itself, the case *prima facie* is that it is not worthwhile to the community at large.

(iii) The argument that the railways should be judged by the standards of "welfare economics" in which might be included such intangible things as the unity and solidarity of a political entity, *i.e.*, the railways may be worthwhile even if they fail to pay, is not applicable to the railways. What we should see is the question of national dividend.

(iv) The location of any industry would be economically unsound if it cannot afford to pay reasonable rates to the railways for its raw materials and finished products. It is imperative that industries should be located on economic grounds and therefore, take into account along with all other items that come into consideration the reasonable rates they have to pay to the railways. To depend on a kind of railway subsidy would be to raise an economic structure in the country which ultimately would be against the interest of the country as a whole.

(v) The argument that a Government in operating a railway may accept with composure a financial loss, because the people as a whole have gained something that offsets that loss, is not acceptable for no economic gain can come from carrying a thing from one place to another unless it can be produced at the first place so much more cheaply than it can afford the reasonable cost of carriage to the second. Affording to stand the transportation charge is the test of the utility of the carriage.

(vi) The question of cost has also to be considered. Decreasing costs, continue, so long as traffic enlarges with the existing fixed equipment. With continuing enlargement, the stage is reached where the plant no longer suffices—additional track, routes, yards, stations, sidings, terminal facilities all have to be enlarged. This is the most uneasy period for the railway manager. A great and probably quick enlargement of the plant is called for, while the traffic, though too heavy to be handled with the existing capacity, is not growing rapidly enough to insure at once full employment and satisfactory earnings of the enlarged plant. The Railway after having been overworked with its former outfit has for a while not enough business for its new outfit. This sort of trying transition stage will, I am afraid, be most noticeable during the next and future Five-Year Plans.

In these circumstances, it would be best to assume that the law of decreasing costs with enlargement of traffic will not operate even during this Plan period.

2. It, therefore, follows that the railways should be deemed as a productive undertaking contributing to the General Revenues some reasonable return on the investment. If railways were to raise their own capital without making use of the country's credit, a higher rate of interest than 3.25% would have to be paid.

3. It is sound business proposition not only to contribute fully to the ***Depreciation Reserve Fund*** but also to lay aside substantial amounts in the ***Development Fund*** and the ***Revenue Reserve Fund***: the former covering passenger amenities, labour welfare, large unremunerative works, unremunerative lines, safety works etc., and the latter to cover any periods of loss to railways that might occur.

4. In this connection, it may be stated that one important consequence of the railways' large plant is the frequency of sudden transition from financial success to financial failure. A stage may be reached when the traffic and earnings from it are such that a profit is earned, while just after with the traffic a little smaller, capital invested may secure inadequate return. An abrupt change in financial outcome takes place. There lies the need for adequate accretion to the Revenue Reserve Fund.

5. To determine the financial stability of Railways, we have to consider what the earnings and expenses might be in, say, 1960-61 and from the rough estimates made by me it seems that the total additional revenue on the basis of existing rates would work out to Rs. 95.3 crores, including coaching Rs. 19.5 crorers, iron & steel Rs. 13.1 crores, coal Rs. 13.5 crores, raw materials for iron & steel works Rs 6.5 crores, cement Rs. 5.1 crorers and other commodities Rs. 37.6 crores. The ordinary working expenses which was Rs 205.87 crores in 1954/55, went upto Rs. 224 10 crores in the budget estimates of 1956/57 and this is likely to go upto no less than Rs. 277 2 crores. The Appropriation to Depreciation Reserve Fund, which is now at Rs. 45 crores, will go up to Rs. 56.3 crores (45 plus 1/60 of Rs. 680 crores the capital expenditure out of the total of Rs. 1125 crores for the Second Plan period)

It seems, therefore, that there would be a net loss and this may be of the order of Rs. 5 crores.

6. The Development Fund has to produce at least 25 crores per annum and in addition we have to make good the leeway that exists in the finances of the Second Five-Year Plan between 1,480 and 1,125 crores, 355 crores It would seem, therefore, that an additional, say, 175 crores has to be raised in five years or 35 crores per annum. Thus, the total additional revenue needed per annum comes to 25 crores for Development purposes plus 35 crores of

additional funds plus 5 crores towards the deficit plus about 10 crores towards the Revenue Reserve Fund. The earnings in 1960-61 on the present level of rates and fares exclusive of surcharge can be placed at 410 crores and to this should be added 75 crores, making the total requirement of earnings 485 crores.

7. These earnings can be obtained only if the level of goods rates generally speaking is kept about 25% above the normal rate (exclusive of 6¼% surcharge). The passenger fares will also have to be raised by about 10 to 15% above the present rates.

8. If these suggestions are accepted, the basic rate for traffic moved at class rates should be calculated according to the following formula:—

$$3.125 \cdot S^{\frac{3}{4}}$$

This will also apply to wagon-load rates.

9. As regards the coal rates, there should be a similar upward rise and the rates can be calculated according to the following formula :—

$$5.625 \cdot S^{\frac{1}{2}}$$

Note : These formulae are 25% above the basic rates shown in Parts A & B of the note.

E.—MISCELLANEOUS

The views in respect of a number of matters have been given in the notes A to D. My views in regard to a few other questions are given below:—

1. Terminal and short distance charges should be absorbed within the conveyance charge.

2. Transhipment charges may be abolished. The earnings recovered from this charge is comparatively small.

3. Minimum distance for charge should be raised from 20 miles to 50 miles. The minimum charge per wagon of Rs. 1-12-0 per ton of the carrying capacity may not apply, as this would be covered by the increase in the minimum distance for charge. In the case of certain industries, it would be necessary to waive the minimum distance for charge condition. The justification will lie in special arrangements being made for the quick turn-round of wagons in cosultation with the industries.

4. *Smalls traffic*: Since smalls traffic is not an insignificant portion of the whole goods traffic, it would be wrong not to apply the usual principles of railway rating to this class of traffic. It would, however, be advisable to raise the minimum charge per consignment from Re. 1/- to Rs. 2/-. The effect of this will be that smalls consignments weighing upto 20 seers may be diverted to parcels rate upto about 200 miles. It is obvious that the same minimum will operate for parcels traffic also. In view of the small size of the consignment and comparatively short distances, it would not be a bad thing from the point of compensation claims and utilisation of wagons.

5. Certain amount of grouping as to distance will apply in the process of rounding off of charges but beyond that grouping is hardly necessary.

6. Maximum rates for over 1,500 miles is not recommended. There is no reason why railways should not earn for distances beyond 1,500 miles, though it is conceded that the rate for very long distances may become unduly high The remedy lies in quoting station-to-station rates for such long lea traffic. On point of principle the maximu . .ate is not necessary.

7. The adequacy of the present C,W and CC conditions should be examined. It would probably be found appropriate to enhance quite a number of these conditions duly approved by the Rates Tribunal.

8. *Special goods services*: A scheme of guaranteed delivery is already in force.

9. Higher rates for liquids in tank is fully justified. There should be an enhancement in the rates for oils, etc., taken in tank. To determine the incidence of the difference, we have to consider both the cost of service and value of service. Under cost of service we get a good load in tanks, but against this we have the empty haulage to content with. Moreover, the maintenance of tanks is a matter of some difficulty. Under value of service, the owners save in freight and investment on containers and their replacements, and therefore they are in a position to pay higher rates for liquids in tanks.

10. *Train load Rates*: The scope is little, except for coal and raw materials to large industries, piecegoods and sugar distribution. This principle, however, is not very applicable and I understand that even in America this is not adopted. Moreover, the train load is not the same over the whole of the route over which the traffic passes.

11. The classification and grouping of commodities generally is satisfactory.

12. *Railway's liability as a carrier*: In view of the unsatisfactory crime and claims position and the peculiar position of the Indian Railways as regards long hauls, greater hazards, unsatisfactory packing, break of gauge transhipment, climatic conditions, poor facilities, etc., It is not recommended that there should be any change in the present responsibilities of the railway as a bailee.

13. *OR and RR rates and Insurance*: It would probably be the best policy to eliminate OR rates for smalls, except in cases of perishables, highly damageable goods and commodities generally moved in open wagons for which both OR and RR rates may be quoted. All wagon load rates, which are usually subject to 'L' condition, should be quoted at OR. I do not think that it is necessary to introduce the English practice. For excepted articles, it would be best to continue the present practice. Insurance (in Railway parlance) should really continue to be on the basis of cost and not on commodity classification. In the case of certain dangerous goods, OR rate is linked with 'P' condition, which is not the usual practice. This may be eliminated by laying down a rule in the Red Tariff that if packed otherwise the Railway will be afforded protection under Section 74 (c).

Further views submitted by the General Manager, Central Railway after his interview on 1-11-56.

Taper of the class and scheduled rates : It has been considered that the rates structure

proposed by me makes the increase in the short distance range heavy and a better spread over can be attained by amending the taper of the standard rate. In this connection, I submit the following comparative rates (pies per md.) excluding the effect of any minimum distance for charge:

TABLE I

Miles	1st Class	R 1 (100)	6th Class	R 6 (150)	10th Class	R 10 (200)	15th Class	R 15 (360)
20	33	24	38	35	44	47	69	85
30	39	32	46	48	55	64	92	115
40	44	40	54	60	65	80	115	143
50	49	47	62	71	76	94	138	170
100	70	79	96	119	123	158	248	284

TABLE II

Miles	WL/A 45%		WL/D 65%		WL/E 75%		WL/H 85%	
20	23	11	28	15	29	18	28	20
30	26	14	30	21	31	24	33	27
40	28	18	34	26	36	30	38	33
50	31	21	37	31	40	35	42	40
100	37	36	50	51	55	59	60	67

It will be observed that if the effect of the proposal regarding minimum distance for charge is excluded from our consideration, the proposed rates would work out even lower than the present upto about the third class rate. Therefore, this proposition leads to the consideration whether the short distance charges should not be raised by the increase in the minimum distance for charge. For reasons given in my previous memoranda I am still of the view that the minimum distance for charge should be raised to 50 miles. This would also be in keeping with the question No. 21 (a) & (b) of Questionnaire Part I-A. (See also paragraphs below).

In this connection, however, I give below a few typical calculations in connection with the return per wagon on short lead traffic carried at class rates:—

TABLE III

Commodity	Rate proposed (50 miles)	Weight per wagon (Smalls).	Return Rs. a. p.
Of 1st class	47	120	29 6 0
Of 2nd class	52	120	32 8 0
Of 3rd class	56	120	35 0 0
Of 6th class	71	120	44 6 0
Of 10th class	94	120	58 12 0
Of 15th class	170	81	71 12 0
(d)		(Dangerous goods)	

For wagon load rates, Table II would indicate that the comments made in your Note do not seem to apply. In such cases because of the operation of the fairly high W/-, C/- or CC conditions, the minimum charge per wagon is generally satisfactory.

Thus, if we were to exclude from our consideration the effect of operation of the minimum distance for charge of 50 miles suggested by me, we would find that the scales are not unduly different from the present, except probably for the higher class rate which, I consider, is not a disadvantage.

During discussion on the 31st October, I understood that it was the intention to have a greater taper for long distances. I should like to quote a few comparative bases in this connection to indicate the taper:

TABLE IV.

Existing Rates (Pies per Md.)

Class	Rate for 50 miles			Rate for 500 miles			Rate for 1000 miles			Rate for 1500 miles		
	Total rate	Per mile for total rate	Index	Total rate	Per mile for total rate	Index	Total rate	Per mile for total rate	Index	Total rate	Per mile for total rate	Index
1	49	·98	100	268	·54	55	449	.45	46	619	·41	42
6	62	1·24	100	390	.78	63	676	·68	55	946	·63	51
10	76	1·52	100	515	1·03	68	891	·89	59	1246	·83	55
15	138	2·76	100	992	1·98	72	1535	1·54	56	2035	1·36	49
WL/A	31	·62	100	112	·22	35	187	·19	31	262	·18	29
WL/D	37	·74	100	178	·36	49	272	·27	36	357	·24	32
WL/E	40	·80	100	183	·37	46	264	·26	33	339	·23	29
WL/H	42	·84	100	226	·45	54	353	·35	42	480	·32	38

TABLE V.

Proposed by C. Railway

R/1	47	·94	100	264	·53	56	445	·45	47	603	·40	43

TABLE VI.

Rate of increase in pies per mile at those mileages.

Existing Rates.

Class	50	500	1000	1500		50	500	1000	1500
1	·54	·45	·34	·34	WL/A	·25	·15	·15	·15
6	·80	·68	·54	·54	WL/D	.38	·26	·17	.17
10	1·07	·90	·71	·71	WL/E	·43	·21	.15	·15
15	2·32	1·41	1·00	1·00	WL/H	·48	.35	·23	·23

TABLE VII.

As proposed by C. Railway

		50	500	1000	1500			50	500	1000	1500
1 =	100%	·705	·396	·334	·302	WL/A =	45%	.315	·178	·15	·13
6 =	150%	1·058	·594	·501	·453	WL/D =	65%	·46	·26	·22	·20
10 =	200%	1·510	·792	·668	.604	WL/E =	75%	·53	·30	·25	·23
15 =	360%	2·54	1·43	1·20	1·09	WL/H =	85%	·60	·34	·28	·26

Note:—$R = 2{\cdot}5\ S^{\frac{3}{4}}$

$$\therefore \frac{dR}{dS} = 2{\cdot}5 \cdot \tfrac{3}{4},\ S^{\frac{1}{4}} = 2{\cdot}5 \cdot S^{\frac{3}{4}} \cdot \frac{3}{4S} = \frac{3R}{4S}$$

It will be seen from Tables IV and V that the Central Railway's proposed scale $R = 2.5\ S^{\frac{3}{4}}$ has almost the same taper for first class rate, but has greater taper for the higher classes. For the W.L. scales, however, the proposed Central Railway's scales are less tapering. In this context, one has to consider also the rate of increase on the freight rate at the different mileages. say, at 50, 500, 1000 and 1500 miles. See Tables VI and VII. These have to be considered with the average cost of hauling a maund one mile which on the Central Railway is computed at .23 pie per md. mile (6.15 pies per ton per mile on the BG). For the MG, the figures are higher. In my opinion, therefore, the taper even for long distances need not be made more accentuated.

Coal rates: It has been stated that it is generally accepted that coal is carried beyond 700 to 800 miles at a loss and that the low rates constitute a kind of subsidy which is unjustified and makes the rates unrealistic for long distances. It, therefore, tends to divert unjustifiably traffic from the sea route and also it acts as an impediment to the promotion of oil fuel in industry round about the Refineries of the Bombay area. It has, therefore, been suggested that (a) long distance coal rates should share a greater proportion of the freight burden, (b) with the rise in the price of coal, there is justification for an enhancement particularly in long distances, and (c) the coal rates can be and should be merged with the rate for general merchandise on a proportionate basis.

I am afraid I do not subscribe to the view that coal is now being carried at unremunerative rates, except possibly for very long distances beyond 2000 miles. The reason is that coal is carried in block loads and we also get full load almost upto the carrying capacity in each wagon. The average cost

of hauling a wagon one mile on the Central Railway is about 75 pies on the BG, and as coal gives us an average load of over 575 maunds, the average all inclusive cost per maund mile works out to .13 pie.

If the dependent cost alone is taken, it is much lower. As against this, the present and proposed (basic) rates work out as under :—

TABLE VIII

(In Pies)

Miles	Present rate			C. Ry's proposed rate		
	Per ton.	Per Md.	Rate per mile	Per ton.	Per Md.	Rate per mile
50	924	34	.68	871	32	.64
400	2520	93	.23	2450	90	.23
900	3612	133	.15	3675	135	.15
1500	4776	175	.12	4736	174	.12
2000	4776	175	.09	5471	201	.10
2500	4776	175	.07	6124	225	.09

I, therefore, consider that by and large coal rates even for long distances are not lower than the cost. At present taking the grain rate as 100 the coal rates work out to about 86 at 100 miles, 56 at 500 miles and 52 at 1,000 miles. As against these figures the proportion in America is 54. As regards the cost of coal, even with the increase in the prices it is very much lower than the grain rate, and, therefore, on the basis of cost of the commodity, the incidence of freight in the case of coal is even now very much higher than the grain rate and for that matter in the case of most of the other commodities.

As coal is raised in certain areas only and has to move over long distances, I still consider that the taper in the case of coal should be greater than in the case of other commodities and the formula adopted by me of :

$R = 4{\cdot}5\ S^{\frac{1}{4}}$ is basically sound.

When the question of the increase in the rates is decided upon, it should be easy to change 4·5 by a suitable figure, so as to arrive at the percentage increase in the rates.

A point has also been made that the long lead coal traffic should be carried at higher rates, in order to divert more traffic to the sea route. The sea freight being what it is now, the railway freight rates will have to be raised very considerably, in order to achieve the result. In this connection, I may state that I do not consider that for this reason a higher rate for long distance traffic is justified. The question of allocation of traffic between the rail and the sea rates should be tackled on a different basis and not on the basis of enhanced freight rates. Any attempt at blocking long distance traffic in coal by rail would be wrong in principle. In this connection, I should like to draw your attention to the Railway Board's reply to Q: 21, para 8, with which I am in agreement. A Rail-Sea Co-ordination Committee is in existence and one of its duties is to advise whether any standing machinery should be set up for considering all problems concerning rail-sea co-ordination or allocation of traffic between the two forms of transport.

As regards the cost of oil fuel and coal in the Bombay area, I give below the comparative consumption of coal and diesel fuel in terms of 1,000 gross miles. These figures are taken from a memorandum on "Dieselisation on Indian Railways" prepared by the Railway Board :—

British Thermal Unit per ton mile	Steam locomotives	1,638.
	Diesel locomotives	231.

Taking the calorific value of the fuel as :—

Coal	11,500 BTU	per lb.
Diesel Oil	19,600 BTU	per lb.

the comparative consumption of coal and diesel-fuel works out as under :—

	Coal	Diesel oil
Lbs. of fuel per 1,000 ton miles	143	11.8
Ratio	12	1

It will be observed that the ratio of coal and diesel oil is in the vicinity of 12 : 1 and with this advantage in favour of diesel oil, I have no doubt in my mind that the long distance coal freight rate from the Bengal and Bihar Coal Fields to Bombay is certainly a deterrent even at the existing rate to the use of coal where liquid fuel could be used.

The wagon load scales have evolved out of the old schedule rates and the percentage difference between class rates and WL scales varies widely from 20 to 60%. Moreover, all commodities moving in class rates do not have alternative WL scales, even though such commodities may move in wagon loads. In this respect it is in sharp contrast with the American and British practice.

As pointed out by the Railway Board, in India only 4.6% of the commodities have alternative WL scales as against 96% in America.

It is true that there is a strong argument in favour of having WL scales for all commodities that move in wagon loads, but at the present juncture, it would perhaps be inopportune to make any serious endeavour to extend the WL scales. Even commodities, such as cotton, gunnies, jute, vegetable oils, piecegoods etc., move at class rates, though they generally move in wagon loads, and any lowering of the effective rates would mean loss in revenue. Under the prevailing conditions when good wagon

load is obtained, there is no need to sacrifice revenue by the question of wagon load scales for all commodities.

This point appears to have been met in my Note E (3). In such cases, the minimum distance for charge would be waived altogether and special arrangements made in consultation with the trade, so as to ensure intensive use of wagons (say one day's turnround, instead of three).

This point of the rate of return has been dealt with in another form in Note D, para 5. The suggestions made therein work out as under:—

	Actual 1954–55. Rs. in Crores.			Estimates on present rates excl. of 6¼% surcharge. 1960–61. Rs. in Crores.	
Gross traffic receipts	286.78	...	...	409·4	
		...	...		
Ordinary W. E.	205.87	...	...	277·2	
App. to D. R. F.	30·00	—	...	56·3	
Works lines	·22	...	...	—	
		...	...		
	236·09	...	...	333·5	
		...	...		
Net traffic receipts	50·69	...	...	75·9	
Net Misc. Expenses	6·63	...	...	20·0	(Surveys etc.)
Net Ry. Revenues	44 06	...	...	55·9	
Dividend to G. R.	34·96	...	...	63·4	
		...	...		
Surplus	9·10	...	...	7·5	
		...	...		

As the capital is likely to go up by 680 crores, the return on the present basic rates will fall short of even 4%, by about 7·5 crores. For strengthening the finances, I have indicated that we should have the following accretions:—

(i) Full 4% as Dividend to G. Revenues.

(ii) + 25 crores for Development Fund.

(iii) + 35 crores for additional funds for expansion of railway capacity (about 50% of the shortfall in our Plan).

(iv) + 10 crores for Revenue, Reserve Fund.

Total 75 crores nearly.

∴ The net receipts will be approximately 9% on the capital.

The present return per wagon mile when interest is excluded cannot be considered below the cost of haulage. But I should imagine that the interest on the Capital should be included. If that is done, then with the increase in investment, I am afraid the present level of rates would be found to be totally inadequate. I consider that the railway finances must pay not only dividend (inclusive of interest) to the G. Revenues, but must lay aside substantial sums compatible with the largeness of the undertaking for development purposes and for "the rainy day" in the Revenue Reserve Fund. World Bank, I believe, have stressed the point that much of the modernisation of the railway undertaking must be met from its internal resources.

In any expanding business, such as the railway, the capacity increases by jerks or jumps. For example, when a section is electrified the Capacity increases when the electrification is completed and not until then. So the capacity is added in "jerk". The same applies to doubling of track or the opening of alternative routes. The traffic, on the other hand, tends to increase steadily and, therefore, for a time just on the completion of a major work, we would have a surplus capacity to be taken up steadily. This feature will continue, so long as serious efforts are made to improve line capacity, which, I believe, will be the feature in the Second and future Five Year Plans. The growth will be somewhat as under:—

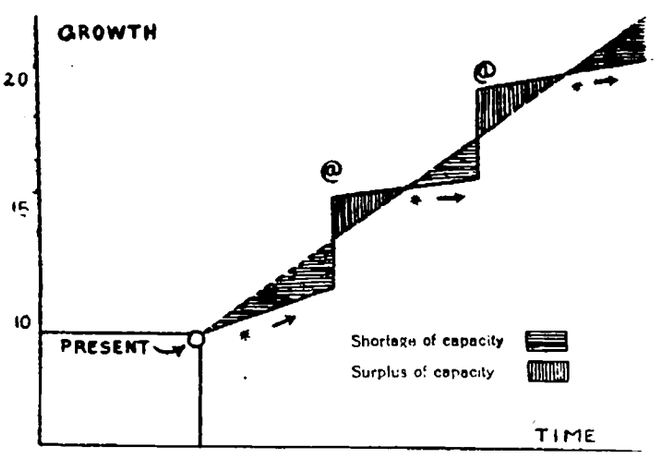
CONDITION ON A PARTICULAR ROUTE (DIAGRAMMATIC).

Increase in traffic :———

Capacity on the route :——

* Normal increase in capacity by minor works.

@ Abrupt increase in capacity by completion of major work.



What is really intended to convey is that in such circumstances, the law of diminishing cost will not operate, in spite of the steady increase in traffic the working expenses would increase more or less in proportion to the increase in traffic.

I have envisaged 50% of the difference *viz.*, 355 crores, to be met (additional) from revenue. This gives a rise of 25% in the level of rates. Full provision, plus the additional needed for the inflationary element (*i.e.* + another 40 crores) would, I consider, place too heavy a burden on revenues. The net receipts would then work out to nearly 12%.

Ministry of Food & Agriculture,

(*Under-Secretary to the Government of India*),

New Delhi.

GENERAL

Freight rates on Timber and Forest Produce.

In continuation of the memorandum submitted earlier on the above subject, I submit herewith a note prepared by Shri C. A. R. Bhadran, Deputy Inspector General of Forests as desired by the Committee during its oral evidence on 2-8-56.

It is also requested that the separate memoranda submitted direct to the Committee by the States of Assam, Hyderabad, Andhra and Bengal, may also be taken into consideration while deciding on freight rates of Railway transport facilities for timber and forest produce.

Note on Railway Freight and transport facilities for timber and other forest produce, submitted for consideration by the Railway Freight Structure Enquiry Committee, in continuation of Ministry of Food & Agriculture memorandum furnished earlier.

I. When the Central Board of Forestry drew the attention of the Railway Board (Shri Mathur) to the need for reduction in freight rates for timber and forest produce, they were advised to refer this and related questions to the Committee. The earlier memorandum was submitted accordingly.

II. In particular, it has to be pointed further as follows:—

(1) The minimum weight condition for wagon loads works very unfavourably in respect of such low value or bulky commodities as timber, charcoal, fuel, cane and bidi leaves. Relief is required either by correlating the minimum weight to floor area or cubical capacity of the wagon or by making a percentage allowance based on the light weight or bulky nature of the commodity compared to other goods (*e.g.*, manure, mineral ores) in the same classification or lower classification.

(2) Special wagon load rates for timber are urgently necessary between Assam Stations and Calcutta, in order that the remoteness of Assam resulting from political changes may not render freight rates to the normal market prohibitively high. (The Committee indicated that they were already considering this point).

(3) At present except for some specially important woods, such as sandalwood, maple wood, redwood and walnut wood (all included in class 8), all timber is listed as Timber NOC and placed in class 2. While from the point of view of realising railways' revenues this may be working as a satisfactory average, this group (Timber NOC) includes almost all varieties and forms of timber and works as a great hardship on individual consignees. As examples, may be cited logs for match manufacture, logs for commercial plywood, soft woods (for matches, plywood, packing cases), hardwoods (for furniture, constructional needs, ornamental wood work). Teak (for high grade uses of timber) are all included in one item.

It is suggested that this item could be split into broad groups and the same either allotted to different classes or percentage variations in the average rates allowed to individual groups.

The following re-classification is suggested, based on market values and not market prices of the time:—

Timber, teak ... Class 3 Timber, hardwoods ,, 2 Timber, Softwoods ,, 1	}	25% extra charge when the consignment consists of sawn or squared timber and not round logs or poles.

Raw material for plywood, matches and packing case industries, Timber, when consigned to respective industrial concerns. ... Class 1.

(*Note*:—These will be mainly soft-woods).

Timber NOC ... Class 2.

Corresponding Wagon load rates may also be laid down suitably.

Hardwoods can be easily separated from Softwoods by the Station Staff and so too teak from other hardwoods; if the proposals

are approved, a simple procedure for identification will be drawn up and furnished for their guidance.

4. As almost all timber loading Stations are situated in remote or poorly populated locations or in difficult terrain, the gauge at forwarding station is more often than otherwise, N. G. or M. G. and most of the important timber consuming centres (destinations) are reached by BG. lines. Because of this basic fact, consignments of forest produce are particularly hard hit by the operation of Rule 74 (6) & (7) of the general rules relating to "bookings to or via a gauge broader than that of the forwarding station."

Though timber and other produce is already allotted to very low class, this difficulty renders transport prohibitively costly. It is submitted that the basis of charge throughout the journey from forwarding station to destination should be regulated by the consignment as accepted at forwarding station, irrespective of change of gauge en route. The minimum maundage rate does not afford relief in the case of timber despatches, as the special types of wagons required are often not available in numbers at these remote stations for loading and despatching more than one wagon at the same time.

5. The case of bamboos requires special consideration. At present bamboos are included in class 6 (WL/CR) but can apparently be despatched under Class I if consigned as raw-material for paper mills. But the minimum weight prescribed for wagon-loads takes it very uneconomic as it is physically impossible to load anything like that weight on any wagon. In any case, bamboos for other uses are not so high in market value as to justify such varied classification as 1 and 6. This requires re-examination and rectification especially as bamboo freight rates work out even higher than timber freight rates.

(6) Firewood and charcoal must be treated as essential commodities, the same as the foodstuffs which can be of but little use, unless the means to cook them is also made available. It need hardly be added that India both in urban and in rural areas still depends mainly on firewood for its domestic fuel. This is mentioned particularly with reference to any increases in freight rates ordered from time to time.

(7) The higher rates prescribed, over schedule rates, for movements over short distances operates harshly on the despatch of beedi leaves in the Hyderabad area, coming as it does on top of the fact that the commodity is extremely light and bulky. This requires special relief.

(8) Grass-green or dry now classified 2, should be in class I, especially, if it is fodder grass.

III. With reference to the questionnaire issued by the committee.

(i) it is requested that the inclusion of firewood and charcoal under 'pooled rates' may be favourably considered, as referred to in Q. 23,

and (ii) special low freight rates (e.g., 25% concession) may be considered for transport of round logs for cottage industry manufacturing matches, *vide* Q. 37.

IV. It is also suggested that it would be rational to step up the classification of unassembled wooden boxes with or without fittings (present class 2); of strawboards (present class 2); and wooden doors (present class 2).

Copy of letter No. F IV-14 2)/55 –M dated 1st May 1956 from the Secretary, Indian Central Oilseeds Committee Hyderabad (Dn.) to the Under Secretary to the Government of India, Ministry of Food and Agriculture.

Sub:—Railway freight structure Committee

With reference to your letter No. F.13-156/55—Com. I, dated the 6th February, 1956, on the subject, I am to say that the questionnaire of the Railway Freight Structure Enquiry Committee was considered by the Committee at its meeting held on 31st March 1956. After considerable discussion on the subject the Committee desired that the following views be communicated to the Government of India:—

PART I-A & B.

Q: 23. The Committee supported the freight pool for coal, as coal is required in oil mills.

Q: 37. Emphasis was laid on the utilisation of railway freight structure to assist the development of the village oil crushing industry for the transport of Wharda ghanis to the interior. The freight rates on oilseeds should be revised taking into account the oil content of particular type of seed.

Q: 40. The Committee desired to reiterate its decision taken in November 1954, that the movement of oilseeds and oil on the Railways should be upgraded by placing them in Category 'D'.

The Committee also recommended that the back hauling charges now levied should be abolished in decentralised zones for the benefit of the crushers.

I am now to request that the above recommendations of the Committee may kindly be communicated to the Railway Freight Structure Enquiry Committee.

Soil Conservation Officer,

(*Government of India : Research Centre*),

Ootacamund.

PART I-A

Q: 1 (b). This is purely a question to be replied by the Public Merchants who have had to transport goods in commercial quantities. Whether it has acted adversely to the interest of any particular industry or trade cannot be stated with any accuracy.

(c) No remarks in view of the reply.

Q: 4. It is felt that a nominal charge should be made beyond a distance of about 1,500 miles although cases may be a few.

Q: 5. These charges seem to be reasonable.

Q: 6. The distance limit for charge may be raised from the present limit of one mile to five miles as this course would be beneficial to such of the persons booking commodities over long distances.

Q: 7. The minimum distance for charge of 20 miles for goods traffic seems though rather high, has to be maintained in view of what is stated in Q: 21.

Q: 8. Uniformity in the procedure in all railways will be appreciated. It may be necessary to charge a minimum empty haulage rate for distances exceeding 5 miles at a flat rate per mile.

Q: 9. The existing classification seems desirable, workable and should continue.

Q: 10. The existing classification may continue.

Q: 11. The rates for traffic moving in "smalls" should be in proportion to wagon loads subject to a minimum and perhaps with pro rata surcharge on freight.

Q: 13. (a) Please see reply to Q: 11.

(b) Not necessary.

Q: 14. As an alternative rates by parcel train up to the minimum fixed for goods may be reduced to conform to the goods rate only upto that limit, *i.e.*, 7 seers. To make up the loss in income, the goods rate above the minimum fixed may be proportionately increased.

Q: 15. I have no remarks as the course suggested may not be workable.

Q: 16. (i) Revising in the upward direction the existing "W" condition, seems desirable.

(iii) They may not be workable unless the necessity for a particular or several commodities arise.

Q: 18. Additional charge should be imposed as the transport by special express goods will be requisitioned depending on the extra profit the consignor would get particularly at a time when the necessity for a commodity is keenly felt.

Q: 21 Please see remarks against Q: 7.

Q: 22. Freight rates by road are generally higher than the rates prescribed by railways as by road there is no classification similar to that by train *i e.*, goods train or passenger train

Q: 26. The present freight structure should be so modified to further the economic progress of the country.

Q: 27. I am not aware of any such cases.

Q: 30. Station-to-Station rates may be revived imposing a certain minimum rate as well as minimum weight.

Q: 33 Distinction does not seem essential and feasible.

Q: 36 Convenience of the passengers should be properly attended to while in travel and in halts at junctions and platforms. *i.e.*, safety of the travellers and their personal effects, particularly in junction where they have to wait for hours for the arrival of the train by which they are to depart. While in travel overcrowding may have to be avoided under close supervision of Railway authorities. Callous handling of goods booked at "Owners Risk" causing undue breakages and losses to owners must be avoided by providing proper loading and unloading appliances to assist porters.

Q: 37. Yes.

Q: 39. I have no idea of such cases.

Q: 40. Although there may be initial expenditure in the way of improving the existing godowns or goods sheds when once such an expenditure is incurred recurring expenditure will be on annual repairs, while freight on larger quantities of commodities handled will pay for these.

Q: 41. Stable rates prevailing irrespective of varying factors mentioned in the question would only avoid complications and revision of rates from time to time involving additional work with extra staff with additional expenditure as fluctuation in the competitive conditions in the market may vary from day to day or may even hour to hour. It may almost be necessary to make some revisions periodically when large scale fluctuations are noticed in commodity prices.

Q: 46. The main commodity of importance in this area is potato. There is no scope for future increase in this commodity of appreciable extent.

Q: 47. (ii) The suggestion to provide warehouses for temporary storage of produce for despatch by quick dubbing of "smalls" consignments into wagon loads is feasible.

Q: 53. No data is available nor can be foreseen.

Q: 54. In framing the railway freight structure the economical and other conditions of the larger number of travellers by the last class in the train and the petty merchants whose transactions are within a limited sphere have to be borne in mind.

PART—I-B

Q: 4. I have no figures on hand to reply to the question.

Ministry of Works, Housing & Supply,

(Printing & Stationery Department)

New Delhi.

PART II

Q: 5(a) & (b):

Nature of loss.	Amount of claim preferred.	Amount of claim paid.	Year of payment.
(1)	(2)	(3)	(4)
	Rs. a. p.	Rs. a. p.	
Deterioration of stores due to delay in transit ...	656 4 0	656 4 0	1955—56
Loss of consignments due to pilferage ... (1)	567 0 2	567 0 2	1950—55
(2)	1,231 9 6	(The amount has not yet been paid.)	1950—55

Q: 5 (c) & 6:

Nature of Loss.	Amount of claim preferred.	Description of stores for which claim preferred and rejected.	Year of rejection.
(1)	(2)	(3)	(4)
	Rs. a. p.		
Theft	1,394 6 0	Booking cloth.	1954—55
Pilferage	211 2 0	Paper printing.	1953—54

Q: 10. It seems expedient that owner's risk classification in regard to items of stationery for smalls or wagonloads should be withdrawn altogether, as Railway is not inclined to entertain claims against pilferage or theft in running trains. In case of Railway Risk classification if the rates operative for 'smalls' and 'wagon-loads' be the same the Railway Risk rate for wagon loads should be the minimum permissible under the rules. as in wagon-loads, the consignor will have the option of fixing his own locks for additional safety of the contents, and send the keys to the consignee for opening at his end at the time of clearance.

Q: 19. Most of the stores despatched by the Government of India Forms Store, Calcutta are printed materials but some of these contain valuable forms like military warrants and railway credit notes which could be insured in case of theft. The Forms Store has already had the occasion of dealing with several such cases wherein these important forms were misused. In the absence of any definite instructions regarding booking of such consignments, these are booked at owner's risk, in gunny packages but it is considered that adequate steps should be taken to guard against loss of such forms and that these should be properly numbered for correct identification.

Q: 21. It has also been observed that considerable time is taken by railways in settlement of claims preferred by the organisation of the Printing and Stationery Department. Such unnecessary delays and protracted correspondence on both ends entails a considerable amount of clerical labour which could be saved if the railways take steps for settlement of claims within six months of the claims being preferred.

V. STATE GOVERNMENTS

Himachal Pradesh,

(*Government of Himachal Pradesh*)

Simla.

GENERAL

I. 1. ***Basic problems concerning freight structure:*** The basic problems regarding freight structure so far as Himachal Paradesh is concerned and requiring special review by the Railway Freight Structure Enquiry Committee in the light of the State's peculiar physical conditions are :

(i) Removal of the existing inflated mileage system of levy of freight charges over the Ambala-Kalka, Kalka-Simla and Pathankot-Jogindernagar sections of the Northern Railway.

(ii) Reduction in the special wagon load rates on the carriage of potatoes from Simla and other rail heads in Himachal Pradesh to distant stations in India.

(iii) Grant of special concessional freight rates for the carriage of timber and rosin and turpentine.

These problems are dealt with below in seriatim in the following paragraphs.

Removal of the existing inflated mileage system of levy of freight charges over the Ambala-Kalka, Kalka-Simla and Pathankot—Jogindernagar sections of the Northern Railway.

According to the present freight structure, the chargeable distance for freight on the following lines is as shown against each :

(i) Kalka-Simla section: 4 times the actual distance.

(ii) Ambala-Kalka Section :
(iii) Pathankot-Jogindernagar Section: } Twice the actual distance.

2. The above system of charging freight on the basis of inflated mileage seems to be highly inappropriate, specially in the present context of the economic development of the State. It could be well justified in the old British days when each railway was operated as an independent commercial unit guided by its individual interest. Each railway was free to fix its own rates, irrespective of what the others did as it had a monopoly in its own area.

3. There was no uniformity of practice in either the grouping or the basis of levy of such freight charges. Their approach to rate making was purely experimental. The railways adjusted their charges according to their convenience without any regard to the economic interest of the country and the well-being of the Indian Railways as a whole. With the attainment of Independence in August 1947, different railways in India including the railways in Indian States have now become part of one unit. As the railways have since pooled together in the commercial field for the common good of the country and the Indian Railways as a whole, there seems no justification, whatsoever, for the charging of higher freights on these railway routes.

4. It is understood that the above system of charging freight on the inflated mileage basis has already been abolished on the Assam Sections of the North Eastern Railway. Consequently there is hardly any justification in retaining this system on the above sections of the Northern Railway now.

5. The general public, especially the traders of Simla and other places in Himachal Pradesh, have persistently demanded proper rationalisation of the above rate structure. This demand will no doubt be considered by the Committee to be well justified for the reasons given below:—

(a) The charging of a higher freight on a discriminatory basis for the same class of goods and for the same mileage of actual transportation would be most unjustifiable both in law and equity. It is not only unequal in its operation between two different classes of consignors or consignees, i.e., one living in hills and the other in plains, but manifestly unjust and highly oppressive to all classes of people living in hilly towns and the surrounding areas served by these three sections of the Indian Railways.

(b) The Railway Administration has now achieved a greater efficiency and hence they should be able to handle the present increased goods traffic at a lower cost.

(c) Levels of production in agricultural and industrial sphere have considerably gone up since 1947. This progressive increase in domestic production is quite evident from the basic statistical data regarding agricultural and industrial production of the country. This has considerably improved the railway freight traffic and gross earnings of all lines since 1940-41 onwards. The freight tonnage and earnings have now touched the highest figurers since 1947-48.

(d) Accordingly, it cannot be doubted that a large traffic at low rates gives a safer and steadier revenue than the small traffic at high rates. The lowering of rates may cause a small loss at first but it certainly gives an impulse to traffic which, before very long, converts that loss into gain.

(e) It may be argued that the working on staff and stores have risen, but this factor should in no case be a justification for retention of present high freight charges on these sections. The rising operational cost should be checked and curtailed to a reasonable

extent by effecting economy, as far as possible, and by raising the wagon-load capacity and the wagon miles on these and other routes.

(f) The goods freight charges were considerably raised in 1948 by upgrading certain commodities from a lower to a higher class and the raising of the class rates for certain articles on a telescopic basis. The freight rates were further increased in April, 1955 by altering the structure of class rates on a telescopic basis. The overall effect was an increase of freight for a substantial haulage, increasing thereby the burden on short and medium distance traffic. With this heavy increase in freight structure, there remains little or no justification for having any further increase in freight charges on the basis of inflated mileage system on these lines.

(g) Although in 1948 freight rates have been made uniform on all Government Railways, irrespective of their net earnings or losses or gains, and when all exceptional classes and exceptional schedule of freight charges have been abolished, there seems hardly any justification for retaining the present outmoded system of charging freight on the basis of inflated mileage In this connection it would be interesting to point out that no extra charge is levied on such sections of Indian Railways which show heavy losses in their working *e.g.* North Eastern Railway and Southern Railway which have shown consistently heavy losses for the last several years, as is evident from the Explanatory Memoranda on the Railway Budget. Accordingly there is no sound justification left for the levy of freight rates on these sections of Northern Railway higher than those levied on other lines of the Indian Railways, which, as stated above, show heavy losses.

(h) As would be observed the economy of this Pradesh is considerably low as compared with that of other progressive States. One of its main causes is that the cost of transportation of goods is extremely high in all the hilly region of this Pradesh. The cost of imported articles is further increased by heavy freight charges levied on their transportation on these sections of the Northern Railway, and this, greatly affects the economic life of this Pradesh. Accordingly the removal of this outmoded system of freight charge is all the more necessary to improve the economic condition of the people of this Pradesh and to raise their confidence in the future of the country's economy, as envisaged by the Union Government's economic policy now being pursued under the Five-Year Plan.

(i) In the interest of retaining the importance of Simla, which is the terminus station of the Kalka-Simla lines, and which is the headquarters of the Himachal Pradesh Government and the Western Command, and where a good number of Central and Punjab Government offices are located, it seems highly necessary to remove the present discriminatory system of freight charge with a view to lessen the burden of high cost of living, on the Government servants stationed here.

(j) Moreover, the present system of inflated mileage has certain anomalous position and adds to the existing complexity of freight structure, besides involving difficulties of calculations and cases of overcharging. In fact, the freight structure deserves to be simplified by adoption of a uniform system and rate of railway freight for all sections of the Indian Railways working as a unit.

(k) It is really a problem for the people of the hills to bring their produce to the rail head. By the time they reach the rail head, they have already paid heavy charges not only on motor transport but also on animals and may be on human beings. If, therefore, these people have to get an opportunity to compete with their more favourably situated brothers in the plains, the railway authorities should see their way to help them by removing the present anomaly in the charging of freight on goods carried on these sections of the Northern Railway. This will not only give a great fillip to the peasants and other producers in hills, but would greatly add to the wealth and economy of Himachal Pradesh. With the complete change in the present out-look of the Government, a revision of the old policy should, therefore, be deemed as essential.

II. Reduction in special wagon load rates on the carriage of potatoes from Simla and other rail heads in Himachal Pradesh to distant stations in India.

Potato is the main cash crop of Himachal Pradesh. The bulk of it is exported as graded seed potatoes to a number of States in India. It is largely produced in Mahasu, Mandi and Sirmur Districts. The growers have formed small multi-purpose Co-operative Societies for marketing purposes. The potatoes produced in this Pradesh have earned the status of high class seed potato in other States and are always in great demand. Himachal Pradesh exports nearly 6 lakhs maunds of potatoes on an average and pays about Rs. 7.5 lakhs as freight charges at an average rate of Rs. 1—4—0 per maund.

2. The main exporting railway stations are Simla, Solan, Salogra, Jogindernagar and Pathankot. 90% of these potatoes are exported in full wagon loads and often in block trains as under:

(1)	Simla to Bombay, Poona, Telegaon, Belgaum and Nasik ...	325	wagons
(2)	Simla to Calcutta, Burdwan and Shourafali ...	300	,,
(3)	Simla to Bangalore, Chikballapur Kolar, Whitefield, Hyderabad and Secunderabad ...	250	,,
(4)	Simla to Ahmedabad, Baroda, Surat and Godra ...	125	,,
(5)	Simla to Deesa, Pattan Jamkhambalia, Jaipur, Indore and Morvi.	100	,,
(6)	Simla to Patna, Gaya, Allahabad, Lucknow, Hapur, Meerut and Agra ...	100	,,
(7)	Simla to Ferozepore, Amritsar and Jullundur ...	25	,,
(8)	Simla to Gwalior and Nagpur ...	25	,,

Simla thus exports about 1,250 wagons *i.e.* 5 lakhs maunds. Similarly Solan and Slogra on the Kalka-Simla Section also export potatoes of Sirmur District of nearly 50 wagon loads to some of the above stations.

Jogindernagar and Pathankot also export nearly 750 wagon loads, half of the quota being for Calcutta and the remaining half to Pakistan and East Punjab.

3. Compared with the cost of production and the market prices at which they are sold at the destination, the railway freight charges are exceedingly higher as is evident from the wagon-load freight rates of Rs. 2/10/3 and Rs. 2/15/3 per maund for their carriage from Simla to Bangalore and Calcutta respectively.

4 In view of the above exported bulk of potatoes, the present structure of freight rates for potatoes seems rather excessive, and deserves some special concession for the following main reasons:—

i. Potatoes exported from this Pradesh already bear excessive transport charges for their carriage upto rail head on account of difficult mountainous terrain and lack of adequate communications.

ii. Potatoes are largely marketed by Co-operative Societies. The Second Five Year Plan lays emphasis on the organisation of co-operative activities in all spheres. The building up of a co-operative sector as part of the scheme of plan development is no doubt one of the Central aims of National policy. The Co-operative Organisations, therefore, deserve special concession in the matter of transport of goods marketed by them.

iii. The seed potatoes are generally marketed to long distant stations. The longer the distance the lesser is usually the cost of transportation.

iv. The Second Five Year Plan also aims at the diversification of agricultural production and the shifting of the emphasis which had hitherto been placed in a dominant degree on the production of cereal crops. The export of potatoes from the Pradesh consequently helps the multiplication of food crops and goes far in solving the food problem of the country. It being used in the diet of the poor and rich alike, is likely to assume a special importance to the national economy and it thus well deserves a special rebate in the railway freight charges.

v. The lowering of freight charges will enable the potato growers of this Pradesh to withstand competition in outside markets and would raise their economic conditions, thereby increasing their taxable capacity, and thus indirectly increasing the Government revenues. It would also serve the laudable object of fostering the agricultural trade and industry of this Pradesh.

. The present volume of traffic in potatoes is sufficiently heavy to justify either reduction in the present telescopic wagon load rates or the grants of a special station-to-station rate.

vii. The present new telescopic wagon load rates are more intended to ensure increased earnings to cover the mounting operating costs, rather than to serve the economic needs of this Pradesh in particular and the country in general. There is no justification for the further increase of about 3 annas per maund in freight rates made in April 1955, over the already heavy 1948 rates. The matter requires careful examination and reversal of the old 1948 rates, at least so far as the potatoes are concerned, for reasons already explained.

viii. The production of potatoes is gradually increasing on account of increase in the acreage of its production. The increasing volume of production and its export outside should no doubt enable the lowering of the cost of its carriage.

ix. The cost of production of potatoes in hills is comparatively much higher than that of plains. Similarly the yield per acre of potatoes in hills is comparatively lower than that of plains. It requires considerable efforts to raise the produce in hill tracks. The growers, therefore, deserve special consideration, in respect of their produce, from the railway authorities.

x. If possible, minimum weight conditions for wagon load scales should also be revised with a view to make it more liberal, as there is a genuine complaint in certain quarters that from the limited scope now left for quoting station-to-station rates, the railway freight structure has been deprived of its old flexibility, and that its rigidity is greatly hampering the trade at present. The Committee should also consider the question of allowing the option of owner's risk rates for all commodities irrespective of any discrimination. The basis of freight rebate should be more liberal in the case of food stuffs and other essential articles like potatoes.

xi. Although the railway authorities possess discretionary powers to quote station-to-station rates lower than the telescopic class or wagon load rates, butthe station authorities generally turn down the requests of the industries whenever such a rate is applied for. The Committee might consider the desirability of recommending principles and directives according to which the special station-to-station wagon load rates are to be granted by the station authorities automatically without applying for the same.

III. Special concessional freight rates for the carriage of timber and rosin & turpentine.

1. The annual output of coniferous sawn timber from the forests of Himachal Pradesh, is about 44,000 tons distributed as

under :—	Deodar	Kail	Fir	Chir	Total
Himachal Pradesh					
Simla Circle	3200	3000	5700	600	12,500
Sirmur Circle	2800	2000	6600	200	11,600
Chamba Circle	6000	5000	7700	1200	19,900
Total ...	12000	10000	20000	2000	44,000

The depots where the timber from the Himachal Pradesh forests arrives are (i) Nangal, (ii) Dilwan, (iii) Pathankot and (iv) Yamuna Nagar (Jagadhari). The estimated annual receipt of coniferous timber in each of these depots is as under:

(i) Nangal	...	9,400 tons
(ii) Dilwan	...	1,500 ,,
(iii) Pathankot	...	17,000 ,,
(iv) Yamuna Nagar	...	16,100 ,,

This timber is mainly exported to Bombay, Calcutta, Gwalior, Rajasthan, Delhi, and a small quantity to some of the stations in the Punjab, such as Ludhiana and Jullundur. It is mainly exported to outside stations from the depots between the months of November and March, and some quantity during the month of June and July.

2. The total output of timber is removed by about 2,000 wagons reckoning at the rate of 22 tons per wagon. Accordingly about 2,000 wagon load of timber is exported from the above stations annually to places mentioned above. The approximate stationwise distribution is as under:

(i) Nangal Railway Station	...427 wagons
(ii) Dilwan Railway Station	...70 ,,
(iii) Pathankot Railway Station	...773 ,,
(iv) Yamuna Nagar (Jagadhari) Railway Station	730 ,,
Total	2000 ,,

3. As the timber is largely used for house building and other industrial purposes, the Committee should consider the desirability of allowing reduction of at least 25% in the wagon load rates or by granting special station-to-station wagon load rates for the transportation of timber from the above rail heads.

4. There are no large scale industries in this State except the Himachal Rosin and Turpentine Factory which is owned and managed by the State Government. It exports rosin and turpentine, from Ambala and Barara Railway stations of Northern Railway in some large quantity to outside distant stations like Bombay, Madras and Calcutta. The quantity of rosin exported from the above forwarding stations is generally as below:

Name of article.	1948—49	1949—50	1950—51	1951—52	1952—53	1953—54	1954—55
Rosin (Mds.)	2616	26763	33139	38172	42815	48519	45775
Turpentine (Gallons)	5410	62628	73160	75095	88928	91245	85005

5. As these articles have to stand competition with imported foreign stuff, it is necessary that this industry should be given some special concession in freight charges on these articles. The reduction may be applied by way of lowering the class by allowing a special rebate of 25 to 33⅓% in the existing freight structure concerning these articles.

6. The Committee might also like to consider the desirability of deloting the prototype remarks on railway receipts as "Liable to leakage or soldering weak, etc.", which appear on every railway receipt issued for the carriage of Rosin, Turpentine, Varnishes and Disinfectant Fluids etc., manufactured by the Himachal Pradesh Rosin and Turpentine Factory, Nahan, irrespective of the fact that they are packed in new welded strong drums. As the railway statistics might show, the loss so far suffered due to the packing of goods sent under railway receipts with such remarks is negligible. The Indian Railways get undue advantage even if the damage of drums and casks takes place due to the negligent handling by the Railways and thus causing loss for which the trader is held unnecessarily responsible.

7. The State Government trusts that the above matters will receive due consideration of the committee, and that they will see their way to meet the wishes of the general public and the State Government in the matter.

regions at economical rate so that the industrialisation of those areas can develop on the same lines as where coal mines are situated. In order to meet the extra demands on railways, it has been suggested that the alternative means of transport namely road, river and sea should be explored. These means of transport are admittedly dearer than the railway transport mostly because of the fact that railway is allowing large scale subsidies for transport of these commodities. The sea freights at present are so high that consuming industries at present cannot bear it. If therefore it is desired that railways should be relieved from their liability to carry coal to distant place, sea freights will have to be subsidised.

In order to find necessary finance for these it is suggested that the minimum freight on railway borne coal should be increased to Rs. 12-8-0. This freight according to the present freight rate would cover the freight of coal upto 500 miles, and rate of coal at all port towns in India be equalised. As a result of this increase, the freight of the coal supplied to the State of Bengal, Bihar and U. P. would be increased and the freight on coal used by the railway locos would also be increased. As mentioned above, this would tell mostly on iron and steel industry. The cost of finished steel ranges between Rs. 500-700 per ton. The incidence of this cost on the steel industries on the assumption that one ton of steel would require 0-3 tons of coal, would be hardly Rs. 3-8-0 to 4-0-0. In our opinion it should be possible for iron and steel industry to bear this extra cost without corresponding increase in the cost of the finished steel and even if the prices have to go up to this extent of increased cost, it is negligible and should be borne in the larger national interest. The extra income derived by this increase in freight rate may be partly allocated between the railways towards their expansion programme and partly towards subsidising shipping freights.

In the above paras we have only advocated equalisation of freight rates on coal at all port towns in the country within by rail or sea transport. However it will be still more conducive to the development of industries and economic reasons of the country if coal prices are made uniform *i.* e. same for all-rail-heads throughout the country. The rates may be so worked out that practically the national exchequer may not have to bear any losses. Actually the coal freights can be so worked out on 'no profit, no loss' basis.

2. ***Constitution of the Rates Tribunal:*** The Railway Rates Tribunal, headed by a Judge, and assisted by two members, one from the Railway Department with intimate knowledge of the railway affairs, and the other experienced in industry, should be able to expeditiously dispose off the cases referred to it. Such a Tribunal should better serve the purposes expected of it than a Tribunal consisting of Judges alone.

3. ***Intra-station movement***: Of late, the railway has put up the freight rate for intra-station movement. The rate now charged is Rs. 9-4-0 for a metre gauge four wheeler. This rate is several times more than the rates formerly recovered in Saurashtra.

The position will be clarified by considering the necessary movement of cargo within the port limits of the intermediate ports of Saurashtra. These ports are not big enough, like Bombay or Calcutta, to have their own railways. Nor are they so small that railway movement is not necessary. When, as for example, a ship load of cargo arrives for import, it is usually not possible to rail it immediately to the destination. This is partly because of the non-availability of the wagons from the railways, to meet with the discharge requirements of about 1,000 to 1,200 tons of cargo per day per steamer, and partly it is due to the commercial requirements of tallying or sorting. Thus, railway movement is required for immediate shifting of cargo from the jetties or wharves, to the transit spaces or stacking grounds. Similarly in case of export, the cargo is required to be collected in transit spaces or stacking grounds as to ensure adequate despatch to ships. These, therefore, require internal movement of cargo by rail. This movement may be even less than a 1/4 mile, but the charges required to be paid are Rs. 9-4-0 for a metre gauge four wheeler. Patently these charges are almost deterrent charges.

As an alternative movement, by mode other than the railway, is not feasible, the railway should sympathetically consider and prescribe reasonable charges, desirably based on "no profit no loss basis". It is suggested that the rates may be prescribed on the time basis, as is done in case of locomotive hire for private sidings.

APPENDIX 'B'

List showing names and addresses of :—

(i) M. Ps. and Individuals, Universities and Colleges, Ministries of the Government of India & State Governments and Local Bodies who sent replies to Questionnaires Part I (A & B) and Parts II and III issued by the Railway Freight Structure Enquiry Committee on 14th September, 1955 and 8th November, 1955 respectively;

(ii) Names and addresses of those who sent supplementary replies.

S. No.	Name	Address	Page No.
	(a) M. Ps. AND INDIVIDUALS.		
	ANDHRA		
1.	Shri D. Ramesam,	Kakinada.	653
	BIHAR		
2.	Shri Mithileshwar Pershad Shukla, 6th Year Economics, Langat Singh College,	Muzaffarpur.	658
	BOMBAY		
3.	Shri G. D. Somani, M. P., and Shri B. D. Somani,	Bombay.	662
4.	Shri N. D. Vakharia, Advocate,	Bombay.	660
	DELHI		
5.	Shri Algurai Shastri, M. P.,	New Delhi.	694
6.	Shri S. R. Rane, M. P.,	62-A North Avenue, New Delhi.	692
7.	Shri Sarangadhar Das, M. P.,	21 Canning Lane, New Delhi.	691
8.	Shri Tulsidas Kilachand, M. P.,	11 Clive Road, New Delhi.	683
	MADHYA PRADESH		
9.	Shri C. D. Naidu,	Asst. Operating Supdt., (Retd.) S. E. Ry. Nagpur.	696
	MADRAS		
10.	Shri C. R. Krishna Rao,	Retd. Dist. & Sessions Judge and Advocate, Madras.	697
11.	Shri G. Runga Raju,	73, Lawder's Gate Road, Vepery, Madras–7.	699
	MYSORE		
12.	Shri Kanakasabapati Pillai,	5, Aga Alikan Ali Road, Back Portion 2nd Block, Bangalore.	700
	RAJASTHAN		
13.	Shri Mangilall Gupta,	Railway Claims Adviser 196, Main Street, Nasirabad.	702

APPENDIX 'B' (contd.)

S. No.	Name	Address	Page No.
	(c) MINISTRIES OF THE GOVERNMENT OF INDIA.		
	Ministry of Railways and Transport. (*Railways*)		
1.	Railway Board,	New Delhi.	783
2.	Railway Rates Tribunal,	Adyar House, Madras-28.	810
3.	Burdwan Katwa Railway Co., Ltd.	3, Netaji Subhas Road, Calcutta-1.	815
4.	Central Railway,	Bombay.	816
5.	Eastern Railway,	Calcutta.	845
6.	Northern Railway,	Delhi.	863
7.	North Eastern Railway,	Gorakhpur.	864
8.	Southern Railway,	Madras.	871
9.	South Eastern Railway,	Calcutta.	921
10.	Western Railway,	Bombay.	931
	(*Transport*)		
11.	The Administrative Officer, Port of Cochin,	Cochin.	949
12.	The Commissioners of Port of Calcutta.	Calcutta.	948
13.	The Development Commissioner, Kandla Port,	Gandhidham, (Kutch.)	949
14.	Madras Port Trust,	Madras.	951
15.	Ministry of Transport,	New Delhi.	945
	Ministry of Food and Agriculture.		
16.	Directorate General of Food,	New Delhi.	953
17.	Directorate of Marketing and Inspection,	New Delhi.	996
18.	Forest Research Institute & College,	Dehra Dun.	1002
19.	Indian Central Arecanut Committee,	Kozhikode.	1003
20.	Indian Central Cocoanut Committee,	Ernakulam.	1004
21.	Indian Central Cotton Committee,	Bombay.	1005
22.	Indian Central Jute Committee,	Calcutta.	1006
23.	Indian Central Oilseeds Committee,	New Delhi.	989
24.	Indian Lac Cess Committee,	Ranchi, (Bihar).	1011
25.	Ministry of Agriculture, (Manures & Fertilizer Section),	New Delhi.	957
26.	National Dairy Research Institute,	Karnal.	1013
27.	The Regional Director (Food), Central Region,	Hyderabad (Dn.)	1013
28.	The Regional Director (Food),	Madras.	1015

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S. No.	Name	Address	Page No.
	WEST BENGAL		
14.	Prof. H. D. Ghosh, M.A.,	Traffic Consultant, 5, Behary Doctor Road, Chowanipur, Calcutta.	703
15.	Shri N. K. Mukherji,	Debagram, Nadia.	726
16.	Shri S. Sinha	37/1, Circular Garden Reach Road, Calcutta-23.	720
	(b) UNIVERSITIES AND COLLEGES.		
	ANDHRA		
1.	Dr. V. V, Ramanadham, M. Com. (Hons.), Ph.D. (Andhra), Ph. D. (London), Assoc. Inst. T. (London).	Reader in Commerce, Andhra University, Waltair.	731
	BOMBAY		
2.	Basaveshwar College,	Bagalkot.	739
3.	J. S. S. Science & Banashankari Arts College,	Dharwar.	742
4.	The Head of the Department of Economics, Karnatak University,	Dharwar.	742
5.	Shri R. A. Podar,	College of Commerce and Economics, Bombay-19.	736
6.	Shri B. M. Ramalingaya,	Professor of Economics, Lingaraj College, Belgaum.	743
7.	The University of Poona,	Poona-1.	735
	HYDERABAD		
8.	Shri B. Padmanabha Rao, B.Com. (Hons)., LL.B., M. Com.,	Department of Commerce, Osmania University, Hyderabad. Dn.	747
	MADRAS		
9.	University of Madras,	Madras.	758
	MYSORE		
10.	College of Commerce,	Bangalore.	762
	UTTAR PRADESH		
11.	Meerut College,	Meerut.	763
12.	Shri Shiv Dhyan Singh Chouhan,	Assistant Professor of Commerce, B.R. College, Agra.	764
13.	Shri R. L. Varshney,	Lucknow University, Lucknow.	770
	WEST BENGAL		
14.	Dr. M. N. Ghosh.	Department of Statistics, Calcutta University, Calcutta.	774

APPENDIX 'B' (Contd.)

S. No.	Name	Address	Page No.
	Ministry of Commerce and Industry.		
29.	All India Handloom Board,	Bombay.	1056
30.	Coir Board,	Ernakulam.	1056
31.	Ministry of Commerce and Industry,	New Delhi.	1016
32.	The Textile Commissioner,	Bombay.	1058
	Ministry of Production.		
33.	All India Handicrafts Board,	Queensway, New Delhi.	1063
34.	Ministry of Production (Chief Executive Officer, Lignite Investigation),	New Delhi.	1059
35.	Coal Board,	1, Council House Street, Calcutta.	1062
36.	Salt Commissioner,	Bombay.	1067
	Ministry of Works, Housing and Supply.		
37.	National Buildings Organisation,	New Delhi.	1076
	Ministry of Irrigation and Power.		
38.	Chief Engineer, Hirakud Dam Project,	New Delhi.	1077
39.	Damodar Valley Project,	New Delhi.	1076
	Ministry of Natural Resources and Scientific Research.		
40.	Ministry of Natural Resources and Scientific Research,	New Delhi.	1078

(d) STATE GOVERNMENTS AND LOCAL BODIES.

	ANDHRA		
1.	Chief Conservator of Forests,	Kurnool.	1090
2.	Government of Andhra,	Kurnool.	1083
	ASSAM		
3.	Government of Assam (Transport and Commerce Department),	Shillong.	1091
	BHOPAL		
4.	Government of Bhopal (Revenue Department),	Bhopal.	1112
	BIHAR		
5.	Government of Bihar, (Public Works Department—Buildings and Roads),	...	1113

APPENDIX 'B' (contd.)

S. No.	Name	Address	Page No.
	BOMBAY		
6.	Bombay Village Industries Board,	Bombay.	1114
7.	The Chairman, Municipal Corporation of Greater Bombay,	Bombay.	1114
8.	The Joint Registrar for Industrial Co-operatives and Village Industries,	Poona.	1117
9.	Municipal Commissioner,	Ahmedabad.	1118
	DELHI		
10.	Delhi State Government,	Delhi.	1119
	HYDERABAD		
11.	Chief Conservator of Forests,	Hyderabad (Dn.)	1121
12.	Government of Hyderabad, (Rural Reconstruction Department),	Hyderabad (Dn.)	1120
	MADRAS		
13.	Commissioner, Corporation of Madras,	Madras.	1122
14.	Secretary to Government of Madras (Agricultural Department),	Madras.	1121
	PUNJAB		
15.	Director of Agriculture, Punjab,	Ludhiana.	1129
16.	Director, Animal Husbandry and Warden of Fisheries, Punjab Government,	Simla.	1129
17.	Excise and Taxation Commissioner, Government of Punjab,	Jullundur City.	1128
18.	Secretary to Government of Punjab (Industries Department),	Simla.	1123
19.	Secretary to Government (Punjab Capital Project),	Chandigarh.	1128
	SAURASHTRA		
20.	The Government of Saurashtra,	Rajkot.	1131
	TRAVANCORE - COCHIN		
21.	Government of Travancore-Cochin (Department of Industries & Commerce),	Trivandrum.	1141
22.	Government of Travancore-Cochin (Revenue Department),	Trivandrum.	1142
	UTTAR PRADESH		
23.	Administrator, Municipal Board,	Allahabad.	1155
24.	Government of Uttar Pradesh (Department of Industries and Commerce),	Lucknow.	1144
25.	Government of Uttar Pradesh (Public Works Department),	Lucknow.	1152
26.	Uttar Pradesh Fruit Development Board,	Lucknow.	1154

APPENDIX 'B' (contd.)

S. No.	Name	Address	Page No.
3.	The Bombay Oilseeds Exchange Ltd.,	Jenabai Building, Masjid Bunder Road, Bombay.	1174
4.	The Cotton Textiles Export Promotion Council,	Cecil Court, 4th floor, 26, Lansdowne Road, Apollo Bunder, Bombay-1.	1173
5.	The Millowners' Association,	Post Box No. 95, Elphinstone Building, Veer Nariman Road, Bombay-1.	1174
6.	Oil Industry Committee,	Burmah Shell House, Ballard Estate, Post Box No. 688, Bombay-1.	1175
	DELHI		
7.	The All India Food Preservers' Association,	New Delhi.	1182
	MADRAS		
8.	The Madras Chillies Merchants' Association,	18, Chinnathambi Mudali Street, Madras-1.	1183
9.	The Mysore Iron and Steel Works,	Bhadravati.	1184
	WEST BENGAL		
10.	Bengal Glass Manufacturers' Association,	P-11, Mission Row Extension, Calcutta-1.	1186
11.	Bengal Oil Mills Association,	156, Upper Circular Road, Calcutta-6.	1189
12.	Indian Chemical Manufacturers Association,	India Exchange, 7th Floor, Calcutta-1.	1190
13.	Indian Engineering Association,	Royal Exchange, Post Box No. 230, Calcutta.	1195
14.	Indian Produce Association,	402, Upper Chitpur Road, Calcutta-7.	1195
15.	Indian Sugar Mills Association,	India Exchange, Calcutta-1.	1196
16.	Indian Tea Association,	Royal Exchange, Calcutta-1.	1197
17.	The Metal Box Co. of India Ltd.,	Barlow House, Chowringhee, Calcutta-20.	1198
18.	Paint Federation,	Royal Exchange, Calcutta-1.	1199

(iii) M. Ps. AND INDIVIDUALS

TRAVANCORE - COCHIN

1.	Professor K. Kesavan Nair, M.A., B. Com., Ll. B.,	Chittoor (T.C.)	1200

APPENDIX 'B' (contd.)

S. No.	Name	Address	Page No.
	WEST BENGAL		
27.	Government of West Bengal, (Agriculture, Animal Husbandry & Forests Department),	Calcutta.	1155

SUPPLEMENTARY REPLIES

(i) CHAMBERS OF COMMERCE

	ASSAM		
1.	National Chamber of Commerce,	Tinsukia.	1159
	BIHAR		
2.	The Bihar Chamber of Commerce,	Judge's Court Road, P. O. Box No. 71, Patna.	1159
	BOMBAY		
3.	Bombay Chamber of Commerce and Industry,	Mackinnon Mackenzie Building, Ballard Estate, P. O. Box No. 473, Bombay-1.	1160
4.	The Indian Merchants' Chamber,	Lalji Haranji Memorial, Indian Merchants' Chamber Building, 76, Veer Nariman Road, Church Gate, Bombay-1	1162
	DELHI		
5.	Federation of Indian Chambers of Commerce & Industry,	28, Ferozshah Road, New Delhi—1.	1165
	KUTCH		
6.	Chamber of Commerce,	Gandhi Dham	1166
	MADRAS		
7.	The Tamil Chamber of Commerce,	310/311, Linghi Chetty Street, Madras-1.	1170
	WEST BENGAL		
8.	The Bengal Chamber of Commerce and Industry,	Post Box No. 280, Royal Exchange, Calcutta-1,	1171
9.	Bharat Chamber of Commerce,	State Bank Building, (Burrabazar Branch), Calcutta-7.	1170

(ii) ORGANISATIONS OTHER THAN CHAMBERS OF COMMERCE

	BOMBAY		
1.	The Ahmedabad Mill Owners Association,	Navrangpura, Post Box No. 7, Ahmedabad.	1180
2.	The Bombay Charcoal Merchants Association Ltd.,	Coal Depot, Sewri, Bombay-15.	1172

APPENDIX 'B' (concld.)

S. No.	Name	Address	Page No.
	(iv) MINISTRIES OF THE GOVERNMENT OF INDIA		
	Ministry of Railways & Transport (Railways).		
1.	Central Railway (General Manager),	Bombay.	1202
	Ministry of Food & Agriculture.		
2.	Soil Conservation Officer, (Government of India, Research Centre),	Ootacamund.	1218
3.	Under Secretary to the Government of India (Ministry of Agriculture),	New Delhi.	1217
	Ministry of Works, Housing and Supply.		
4.	Printing and Stationery Department,	New Delhi.	1220
	(v) STATE GOVERNMENTS		
	HIMACHAL PRADESH		
1.	Government of Himachal Pradesh,	Simla.	1221
	PUNJAB		
2.	Government of Punjab (Forest Department),	... ...	1225
	SAURASHTRA		
3.	Government of Saurashtra (Communication Department),	Rajkot.	1225